many transport and the same

**Euro steel:** another

crisis, another

World news

#### Shift to right in Finnish election equity

Finland shifted to the right in parl-ismentary elections with the con-enterprise, is expected to raise ismentary elections with the con-servative Kokoomus party making the strongest gains. The party won nine extra seats, taking its presence in the single-chamber parliament to a record 53 seats, after 90 per cent of the votes were counted. The governing Social Democrats lost one seat to 56. Kokoomus now seems certain to enter a coalition govern-ment after 22 years in opposition.

#### UN chief's appeal

UN Secretary-General Javier Perez de Chellar appealed for the release of French journalist Jean Louis Normand, whose life has been threatened by pro-Iranian captors in Lebanon. A Shia Moslem leader said he believed the man would be spared. Page 4

#### **Bomb detentions**

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Police detained two men in connection with a railway bombing that killed at least 32 people as authorities tightened security in South India and along the country's 40,000 mile rail network.

#### Soviet troop demand

The EEC called for a total Soviet troop withdrawal from Afghanistan and repeated its support for the Pa-

#### Norway approves ban

Norway's parliament approved an extensive trade han against South Africa but left a loophole through which oil shipments in Norwegian tankers could continue, Govern-ment officials said.

#### Howe defence plea

Sir Geoffrey Howe, the Britis Foreign Secretary, Manched a strong plea for closer European defence co-operation, and a greater commitment to common security, without jeopardising the Atlantic alliance with the US. Page 2

#### Accident kills 19

Nineteen people were killed and 22 are missing after a dam collapsed following heavy rains in Soviet Tadzhikistan, the official news agency Tass said, Page 3

#### **Ecuador protest**

Police used tearges to break up student demonstrations in Ecuador's three biggest cities. The students were protesting against ansterity measures imposed following the recent earthquake, which is thought to have caused \$1bn-worth of dam-

#### Presidential hopeful

Massachussetts governor Michael Dukekis joined Richard Gephardt, a Missouri Congressman, and Bruce Babbitt, former governor of Arizona, as prospective Democrat candidates for the US presidency.

#### Compensation claims

Zeebrugge ferry disaster in which 134 people are dead or missing will meet in London on Friday to co-ordinate claims for compensation, a spokesman for the group said.

#### Business summary

No. 30,186

# Peugeot poised to seek fresh

enterprise is expected to raise fresh equity capital later this year, reflecting the group's financial recovery. Page 29

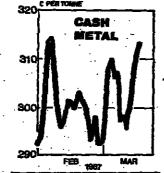
WALL STREET: The Dow Jones industrial average closed down 10.22 at 2,248.44. Page 50 LONDON: Equities turned lower ahead of the budget. The FT Ordi-

nary index lost 7.3 to 1,576.6 and the FT-SE 100 shed 8.2 to 1,991.8.

TOKYO moved off its peak as the Nikkei market average fell 82.58 to 21,415.37, Page 50

LEAD: A seventh successive weekly fall in warehouse stocks helpe push lead prices higher yesterday on the London Metal Exchange. The £4.50 rise lifted cash metal to £313.50 a tonne and took the rally from last Monday's low £16.50

tonne. Page 42. LEAD



DOLLAB closed in New York at DM 1.8335; SFr 1.535; FFr 6.105 and Y151.525. It fell in London to DM 1.8375 (DM 1.8530); to Y151.66 (Y152.60); to SFr 1.5375 (SFr 1.5535); and to FFr 6.1175 (6.1675). On Bank of England figures the dollar's exuse rate index fell from 104.1 to 193.4. Page 43

STERLING closed in New York at \$1.587. It rose in London to \$1.5840 (\$1,5750); but fell to DM 2.9100 (DM 2,9175; to SFr 2,4350 (SFr 2,4475); and to FFr 9,5900 (FFr 9,7150); but remained unchanged at Y240.25. On Bank of England figures the pound's exchange rate index fell to 71.4 (71.5). Page 43

GOLD rose \$1 to \$405.75 on the London bullion market. It fell in Zurich to \$405.75 (\$409.45). Page 42 SREARSON Lehman Brothers,

New York brokerage firm, and the International Finance Corporation, World Bank's enterprise arm, plan to raise \$250m for a new fund speclalising in Philippines investment

Page 29 MIM HOLDINGS, Australian mining and minerals concern, is to take

a 30 per cent stake in Norddevische Affinerie, West German company

which operates Europe's largest pri mary copper smelter. Page 29 BONN Finance Minister Gerhard Stoltenberg said it was possible a controversial bourse turnover tax could be removed. The tax has angered bankers who believe it dimin-ishes West Germany as an international financial centre

BHP, Australia's biggest company is to merge Utah International, US group it took over in 1963, with its rals arm, creating - if consid ered alone - one of Australia's largest mining houses. Page 32

Lawyers acting for victims of the SCHLUMBERGER, US oil services group, is dropping a plan to sell an 80 per cent stake in its Fairchild Semiconductor subsidiary to Fujit-su of Japan because of US government opposition.

#### World indices service launched

new service starts on Page 21. Based on some 2,400 share prices, indices will be calculated daily for 23 national markets and eight regional markets, along with an over-all World Index. Calculation will begin at the close of trading in New York, and the table will be updated in later editions. In the initial

The FT-Actuaries World Indices are published for the first time on Page sions when this updating will not be possible, and the table in all editions will be based on prices ruling on the trading day preceding the

night of publication.
The indices are jointly compiled by the Financial Times, Goldman, Sachs & Co, and Wood Mackenzie & Co Ltd, in conjunction with the Institute of Actuaries and the Faculty of Actuaries.

potentially devastating examina-tion of Wall Street's conduct during the recent wave of corporate takeovers, Congress has seemed some-times more interested in tighter supervision of the securities industry than of the staff of the National Security Council.

said an assistant to Mr John Dingell, a Michigan Democrat who chairs the House energy and commerce committee and is a leader of the movement to clean up Wall Street. "It hasn't been so interested in Wall Street since 1929."

FOR a city with its very own scan-dal, Washington has an awful lot of time to spare for the revelations of corrupt and questionable practice profit from the wave of takeovers.

The control of America's back. Every-body started ignoring rules they did not like."

"But it's not confined to the corrupt and questionable practice profit from the wave of takeovers in New York.

While the public investigation incans their jobs over the past five to insider trading has spread into a years. Companies are usually taken over at a premium to their market. mation of the planned takeover, such as the bidding company's in-

> ing stock in the target company.
>
> The wide-ranging investigation has also given Congress a stick with which to beat the Reagan Administration for its laisser-faire attitude to the restructuring of corporate

As Mr Dingell said in a trenchant newspaper article earlier this hopper, Washington is actually month, the Administration "arrived nearer new legislation to curb ins in Weshington in 1981 talking about er trading than on November 14. deregulation and 'getting the Gov- On that day, Mr Ivan Boesky, a

Democrat side," says Mr John Stoppelman, a lawyer specialising in the securities industry. Even Administration officials are anxious at the threat to public confidence in the US capital markets

Mr John Sture, a senior official in vestment banker, can profit by buy- the enforcement division of the Securities and Exchange Commissi said: People will think that the market is rigged and they'll just get hosed by the big guys." But while the Supreme Court de-

define insider trading, and bill after bill drops into the congressional hopper, Washington is actually no

celebrated speculator in takeover stocks, shattered Wall Street's comosure with an admission that he cribed investment bankers to provide information.

In fact, the issue of insider trading has become hopelessly inter-twined with a much broader and longer-running campaign to curb the excesses of the takeover era. The pressure for reform is particularly strong in constituencies in the old industrial north, which corpo-rate raiders and takeover specialists have scoured for cheap assets to buy or to liquidate.

A recent hearing by the Senate banking committee, chaired by Mr William Proxmire, a Democrat of Wisconsin, featured a parade of chief executives deploring take-overs and urging federal restraints. Among the wider proposals being



 limits on takeover financing by "junk bonds," which are high-yield ecurities often secured on the Continued on Page 28

# Key Irangate witness likely to be granted congressional immunity

BY LIONEL BARBER IN WASHINGTON

REAR ADMIRAL John Poindexter, President Ronald Beagan's former National Security Adviser and a star witness in the Iran arms scandal, is likely to be offered limited immunity this week under a tentative agreement between the two sional select committees inrestigating the affair.

Mr Poindexter would be the highimmunity in the congressional investigation. His testimony could ersion of profits from secret US arms sales to Iran to the Nicaraguan Contra rebels.

to vote on whether to offer immunioutline agreement between their re-personal test for the 76-year-old spective chief lawyers. The accord President, who gave a faltering permust also be cleared with the court-formance last November when he appointed Special Prosecutor, Mr faced detailed questions by repor-Lawrence Walsh, who has been ters on the Iran affair. Mr Reagan

of criminal charges, and the two Commission report which sharply viewing another figure in the affair, trated by the lack of progress in ment and policy of selling arms to lionaire, their inquiries. Iran in return for US hostages held Mr 1

immunity to the other key witness Senate select committees are under ments had been received which fitin the scandal, Marine Lt Col Oliver pressure to uncover more details in ted descriptions of notes made by North, and would delay summoning order to justify their existence.

Mr Poindexter for 60 days. Since Mr Walsh has the power to apply to tee in particular have been frustrat-court for a further 30-day delay, he would in effect be given the 90-day the Tower Commission, they have extension he has requested.

North have refused to testify before Congress, citing their Fifth Amendment rights against self-incrimina-tion, Mr Poindexter's testimony is est ranking official to be granted awaited with trepidation by the White House, eager to convey the image of a reinvigorated President shed light on whether President Reagan following the appointment Reagan knew or authorised the div- of Mr Howard Baker as the new

White House advisers were yesguan Contra rebels. terday weighing whether to encou-The Sensie and House select rage President Reagan to give a live committees are to meet tomorrow news conference on Thursday, which would be his first for four ty to Mr Poindexter following an months. The conference would be a

Congress would hold off granting in Lebanon, but both the House and House spokesman, said that docu-

Members of the Senate commi the Tower Commission, they have not received a windfall of informa-Both Mr Poindexter and Lt Col tion like the hundreds of pages of memos stored in the White House computer system which Lt Col North failed to erase before he was

dismissed last November. One congressional aide said yes-terday: "Poindexter will be a credi-

Under the accord reached be tween the staff of the two commit tees, Mr Poindexter could begin giving public testimony around mid-June. It is unclear when Lt Col North would be summoned. So far, immunity has been granted to five

 The irangate scandal took on yet when the Wall Street Journal revealed that Ms Barbara Walters, the well known television interviewer, acted as a messenger be pressing for a delay of 90 days before immunity is granted.

The accord appears to satisfy the
Could be expected to be peppered by
tween Mr Manuchir Ghorbanifar,
questions on the Iran affair if Mr
the Iranian arms dealer, and the
White House strategy has been to

White House strategy has been to ious not to prejudice the possibility deflect attention from the Tower arms sales to Iran soon after intercommittees which have been irus- criticised the President's manage- Mr Adnan Khashoggi, the Saudi bil-

Mr Marlin Fitzwater, White

# Lufthansa faces Cartel Office probe on fares

BY DAVID MARSH IN BONN

WEST GERMANY'S federal Cartel Office has started investigating pos-sible fare price-fixing by Deutsche Lufthansa, the country's national

parately from long-running efforts by the European Commission to try to bring more competition into the EEC's airline industry. The Commission will consider the

controversial move of taking legal action against Lufthansa and at least two other European airlines, at a meeting tomorrow in Brussels. In West Berlin the Cartel Office said yesterday that the office, which comes under the jurisdiction of the free market-oriented Eco-

nomics Ministry in Bonn, had writ-ten to the EEC Commission suggesting talks to try to co-ordinate the two bodies' approaches over Lufthansa A meeting was likely to take place in the next few weeks, but no date had been set. The Cartel Office has started

looking into the agrangements under which Lufthansa sets its European air fares as a result of a new European legal ruling.

policing Lufthansa's tariff struc- cial practices.

The office said the investigation into Lufthansa, concentrating on its newly announced summer season fares, was likely to take some time because the office was venturing

"At the end of this investigation there should be more competition in the European air traffic industry," it added Lufthansa, like other European

airlines, is known to discuss fare, route and capacity arrangement covering the European market with The Cartel Office is now trying to investigate to what extent this col-

laboration - which has always been accepted as legal - infringes EEC The initial part of the Cartel Office's investigation will centre on an examination of Lufthansa files and

the fare structure for the summer The Cartel Office said vesterday that it did not foresee any difficulty in gaining access to the necessary

documents to determine how it set

EEC diplomats indicated at the weekend that the European Commission was considering acting against Lufthansa and the national carriers of Denmark and Greece Scandinavian Air Systems (SAS) and Olympic Airways.

In letters sent to 10 national air Transport Ministry - which has lines last year the Commission previously had sole jurisdiction drew attention to alleged infringe-over Lufthansa – but also the Eco-ments of EEC competition rules and nomics Ministry responsible for called for changes in their commer-The outcome of Wednesday's

meeting of the Commission is linked to next week's EEC transport ministers meeting in Brussels

#### Washington turns its gaze to Wall Street's dirty deals Computer fraud may cost US up to \$5bn

By Alan Cane in London

LOSSES from computer fraud in the US are now conservatively estimated at between \$3bn and \$5bn and the spread of modern comput-ing techniques makes it likely that such frauds will in future increase in frequency and sophistication. A report from the US-based ac-

counting firm Ernst & Whinney says that most computer frauds are perpetrated by insiders, often with a trusted and responsible post within the organisation.
It warns: "When a chief executive

officer, chief financial officer or corporate controller can download data from the company's mainframe computer to a microcomputer in his or her office, manipulate that data to make the company look more profitable and send the new data back to the mainframe without an audit trail; or when management can manipulate financial information through on-line terminals to cover up the theft of corporate as-

sets, we all have a problem."

The report, submitted to the US National Commission on Fraudulent Financial Reporting, is the latest in a series of studies drawing attention to the growing frequency and seriousness of computer fraud and the difficulty of controlling or

More than 80 per cent of a sample of US companies surveyed by Ernst & Whinney in 1985 reported financial losses through computer security problems in the previous two

Ernst & Whinney say that computer fraud is becoming significant because widespread computerisation increases the opportunities for wrongdoing, makes it difficult to detect that a crime has taken place and leads to lucrative payoffs. It quotes figures from the Federal

Bureau of Investigation suggesting that the average amount involved in reported computer frauds is now \$600 000 compared with \$23,000 for frauds carried out manually.

The Ernst & Whinney report is notable for its emphasis on the new possibilities for fraudulent manipu lation of a company's books by senior executives that computerise tion makes possible. But it warns that the spread of data processing of management to participate in traudulent financial reporting.

It has no magic answers to the problem, in common with most of the other surveys and studies, but it sets out a system of internal management controls to help prevent, detect and limit computer fraud. "Implementation of these recommendations may require a continu-

ous effort over an extended period

# Weinberger told F-16 fighters must be withdrawn from Spain

MR CASPAR Weinberger, the US zone stretches to Turkey. tiatin Defence Secretary, was told in Madrid yesterday that the Socialist zalez and Mr Narcis Serra, the

Mr Weinberger arrived in Madrid back to Washington, at the US air base on Portugal's Azores Islands. Both Turkey and Portugal have

been suggested as possible alternawhich are currently stationed at Torrejon base, eight miles north east of Madrid. Mr Perle told Spanish journalist Torrejon fighters were "irreplacible

and vital" to Nato, and that their

Government of Mr Felipe Gonzalez Spanish Defence Minister, Mr said at the time that the offer repre-is insisting on the withdrawal of F- Weinberger and his party were told sented a maximum effort to acis insisting on the withdrawal of F
Weinberger and his party were total

Senied. A maximum enory to act

Committee from Spain as a prethat the Government was committed to bring about a "substantial respanish defence pact which expires
in May next year.

Mr Weinberger arrived in Madrid
of a referendum a year ago in

Mr Weinberger said on arrivel at

first leg of a tour of Nato's southern rowed down to a specific demand craft touched down just hours after flank, which also includes a visit to for the withdrawal of the Torrejon violence empted at the end of the Turkey and a stopover, on the way fighters. Failure to agree on this seventh annual protest march to

tive sites for the 79 F-16 interceptors at two airbases, in addition to Tor-tors of the US 401st tactical air wing rejon, and it maintains a naval de-which are currently stationed at pot at Rota, near Cadiz. The bilateral agreement, which dates from Ankara. 1953 and is renewed every five years, allows for a maximum 12,500

would jeopardise the renewal of the the Torrejon airbase which draws would jeopardise the renewal or the bilateral agreement and could force tens of thousands every year. The Turkish Government last a total US withdrawal from Spain.

At present, the US has facilities night released details of the de-

at the Pentagon last week that the US servicemen in Spain. the previous US-Trurejon fighters were irreplacible. An offer by the US last month to agreement expired. and vital" to Nato, and that their remove the 401st tactical air wing withdrawal from Spain would from the Madrid area to a base at weaken security in the entire med- Moron, near Seville, was rejected iterranean." The F-16'S operational outright by the Spanish team nego-

tiating renewal of the bilaterial

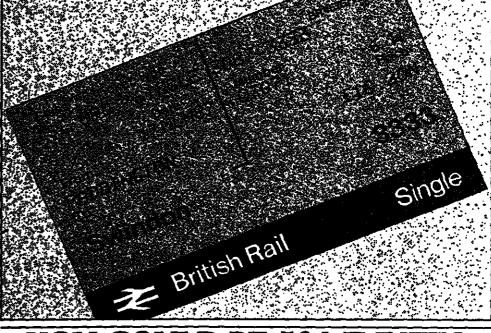
The US Ambassador to Madrid

on Sunday night with Assistant which Spaniards voted to remain in Madrid that he hoped to depart: Secretary Richard Perle, who resigned his post last week. It is the first leg of a tour of Nato's southern rowed down to a specific demand craft touched down just hours after-

The Turkish Govern

The signing of the agreements comes just under 15 months after the previous US-Turkish defence

suggest that the US has made any major concessions, even though Continued on Page 28



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**FOREIGN** 

INVESTORS TEST THE PHILIPPINE WATERS

Corazon Aquino is creating a calmer climate for potential venture capitalists, Page 6

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debt; the CBI ...... 26

Booming Britain: no time yet to rejoice. 27 Lex: BSR: UK budget; IC Gas; Dixons 28



#### By David Housego

FRANCE yesterday reported improved price and external trade figures for February. The consumer price index rose by 0.1-0.2 per cent on provisional figures, compared with a 0.9 per cent increase in January. But the underlying inflation But the underlying inflation rate, as reflected in the year-on-year rate, worsened to 3.4 per cent as against 2.1 per cent at

At the same time the trade deficit for February on a seasonally adjusted basis shrank to FFr 400m (241m) compared with FFr 2.5bn in January. France ended 1986 with the trade account marginally in

The improvement in the February price figures reflects the disappearance of some of the exceptional factors the exceptional lactora-including a sharp rise in petrol prices, the cold weather and public sector strikes—which weighed heavily on the index

#### EEC economy 'shaky'

The EEC's leading economic indicator showed a small improvement in January comimprovement in January com-pared with the previous month but the community's economy is still cyclically unstable, according to a European Com-mission survey, AP-DJ reports from Brussels.

The commission's economic continent indicator, which has

sentiment indicator, which has a base year of 1980=100, was at 102.7 in January, up from 102.5 in December. The rise halted a four-month decline but the indicator was still at a low level, the commission said.

# W German exports hit West German exports to the US fell below DM 4hn (£1.37hn) in January for the first time since mid-1984, provisional Bundesbank data

shows, Renter reports from Frankfurt. The figures show exports were DM 3.85bn in January, down sharply from December's DM 44bn and the lowest since the DM 3.56bn in July 1984. This compared with DM 4.86bn

in January 1986. Total West German exports to Western industrialised countries also fell in January to DM 34.765n from Dm 36.45hn future banks must maintain a wards low in December, the lowest reserve requirement in lira been one monthly total since July 1984. equivalent to 25 per cent of strength.

# Howe in plea for closer European defence links

SIR GEOFFREY HOWE, the intermediate nuclear forces. He warned that "burden-British Foreign Secretary, yesterday launched a strong plea mitment to common security, able reductions in nuclear wea-without jeopardising the Atlan-pons," he said.

Reagan and Mr Mikhail Gorbachev, and the prospects of an agreement in Geneva on reducing medium range nuclear mis-siles, made closer European consultation necessary, he said.

In particular, he stressed the key role the Western European Union should play, and pro-posed the strengthening of the seven-nation defence grouping by hoving its headquarters to quarters.

However, he was at pains also to stress the paramount importance of the US commitment to the defence of Europe.
Sir Geoffrey was delivering what was billed as a definitive assessment of British views on

European security to the Royal Institute for International Relations in Brassels. He gave an upbeat as of the state of negotiations in Geneva, and welcomed Mr Gor-

BY JOHN WYLES IN ROME

the private sector as a result

of a reserve requirement intro-

The bank's domestic credit

expansion targets of 7-9 per cent have been jeopardised by a

year on year growth in banks' loans of 9-13 per cent since last October. The evidence suggests that banks have been exploiting

the strengthening of the lira's real effective exchange rate. Between September and Janu-

through overseas borrowings.
In tandem with a 1 percent-

age point cut in the discount rate to 11.5 per cent, the bank announced last Friday that in

duced at the weekend.

Bank of Italy hopes for

THE Bank of Italy will be their net foreign indebtedness. looking for signs of a slowdown According to unofficial estimates, this could add 1 percent-

slowdown in lending

(INF) from Europe. for closer European defence co-time real prospects of agree-operation, an da greater com-ment which would result in size-

He held out the prospect of -Both the events at the Reykand the need to prepare for — a javik summit between President "less nuclear" world, while insisting that Europe's security would depend "for the foresea-able future" on nuclear

> for "increasing partnership" between Britain and France, as the two nuclear powers in Europe, and welcomed the change in French thinking sway from the concept of "national sancturies."

However, he warned of the changing attitudes and perceptions on both sides of the Atlan-tic, "In the US, Europe no longer dominates military think-

ing." he said.

The sizable European defence effort was often "not fully appreciated" in the US, he said, spelling out the extent to which Europe provides for its own security: with 90 per cent of the mannower. 25 per cent of the manpower, 85 per cent of the tanks, 95 per cent of the artillery and 80 per cent of the combat aircraft on the ground hachev's response to the original combat aircraft on Nato proposals for eliminating in Western Europe

age point to foreign borrowing

A bank spokesman stressed yesterday that the new measure

represented a break with the past since it was not an

exchange control imposing a firm ceiling on banks' foreign indebtedness. This follows the path towards a more

market-oriented regulation of the kind used in other coun-

tries such as West Germany,

The reserve requirement could be adjusted within the

Italy's previous reluctance for

domestic credit reasons to join

in the international move to-wards lower interest rates has

25 per cent maximum

#### sharing pressures" from the US -calling on the Europeans to make a greater defence effortwould continue, "not least because they are exacerbated by the US (trade) deficit, and by an increasingly kar farafig

trade atmosphere. "We need to be alert to trends in American thinking which might diminish our security—perhaps not today or tomorrow, but in the longer term," he said.

He spelt out a range of options for closer co-operation, including: Economic management and defence procurement.

Military research. • Role specialisation and joint training. Common programmes on the Nato/Airborne Warning and Control System (Awaes) model.

• Developing further the Inde-pendent European Programme Group. to maintain adequate conventional defence spending-singling out "the steady erosion singing out "the steady evolution in Belgian capabilities as a result of the long decline in your country's defence spending."

#### Sweden's trade balance rises by SKr 100m

SWEDEN'S trade balance showed a surplus of SKr 2.6bn 2353m) in February, an in-crease of SKr 160m on the previous February, according to the Central Statistical

The value of exports in-creased by 11 per cent to SKr 23.7hu, while the value of imports rose by 12 per cent to SKr 20,1bn, Excluding oil and ships, the value of exports only rose by 6 per cent, while the value of imports increased by 13 per

In the first two months of this year the trade balance showed a surplus of SKr 5.1bn, compared with SKr 4.9bn in the same period last year. The trade balance for oil increased by SKr 2bn

#### **Industry** in call for end to Yugoslav pay freeze

By Aleksandar Lebi in Belgrade

YUGOSLAVIA'S factory man agers have lent their voice to mounting public pressure on the Government of Mr Branko Mikulic to back down on a wages freeze policy.

Last month's decision to limit wage increases for industrial workers to gains in productivity and freeze all other wages until June has caused wide spread worker unrest, especially in Croatia. Reports suggest that it has also spread to Bosnia, Mr Mikulic's own region.

If the Government yields to pressure it will endanger its attempts at reform and stabilisation, but if it does not it may face an even larger wave of strikes with untold political and social em-

Branko Tanackovic deputy director of BEKO, the deputy director of BERO, the Yugoslav confectionery manufacturer, told Tanjug, the state news agency: "This law is unacceptable, above all because productivity as an economic category has still not been

We do not know how to calculate it and we are not sure what elements influence " It is illogical that we should

limit personal incomes even though we do not have a precise definition of productivity," he said. Nationwide, the number of strikes and of workers involved is not known, but reports sug-

gest this is the most intense industrial dispute since the Second World War. In Croatia, the republic most affected, stoppages have occurred in some of the biggest col-lectives, such as Rade Koncar and Privomajska,

The Croatian trade union rganisation has asked that the Government's legislation on wage control be changed and made more selective

Inflation in Yugoslavia has risen at an annual rate of almost 100 per cent and the freeze on wages is central to the Government's attempts to regain con-

trol price levels. But the industrial unrest is partly the Government's own making. Last December it

# Takeover creates French business press empire

80 per cent.

Among the few financial details that the privately owned group disclosed yesterday was that it achieved a cash flow in

1986 of FFr 17m (£1.74m) and now looks for a cash flow of

FFr 50m. The new group com-prises 10 publications with a

Since then Mr Bertez has been involved in disputes with

the print unions, and seemed to have set himself the goal of

putting his group back on its feet prior to selling it.

Mr Servan-Schreiber said yes-

terday that L'Expansion's priority would be to cut losses

at La Tribune. He did not, how-ever, reveal details of the group's plans for the titles

L'Expansion, which this year celebrates its 20th anniversary,

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turnover of FFr 700m.

BY DAVID HOUSEGO IN PARIS

A NEW business press empire the shares in Groupe Expansion, was created in France yester-reducing the holding of the day with the takeover by the Servan-Schreiber interests to Groupe Expansion, aiready one of the country's main business publishers, of the financial and economic dailies belonging to Mr Bruno Bertez.

The move comes at a time when there has been a substantial expansion in business readership in the country because of wider interest in economic affairs and in the stock exchange, and when all the major dailies and weekly magazines have been expanding

their economic coverage.
Groupe Expansion, which is run by Mr Jean-Louis Servan-Schreiber and whose flagship is the twice-monthly business agazine L'Expansion, now controls more than a third of the business readership in France.
Purchased from Mr Beriez,
who is abandoning his press
activities, are La Vie Francaise, a weekly personal investment magazine, Agefi and La Tribune, both financial dailies.

Groupe Expansion also announced that it has purchased a 45 per cent stake in the Journal des Finances, another investment weekly, and the business publishing house Intereditions. On the basis of figures issued yesterday by L'Expansion, the group now has control of 62 per cent of financial advertising in the business press and 43 per cent of display ad-

vertising.
Though the Expansion group has been planning external acquisitions for some time, Mr Servan-Schreiber made clear yesterday that the takeover had also been prompted by fears that the Bertez group could have been taken over by com-petitors—"which would have left us marginalised."

Among other groups interested in the purchase were the Hersant Press, which owns the daily Le Figure, and the Hachette group.

L'Expansion declined to say much it was paying for the acquisition but said that it would be financing it through a capital increase to which the main subscribers will be ia Compagnie Financiere of Mr announced a plan not to let Edmond de Rothschild, wages and salaries in the first Assurance Generale de France quarter of this year exceed the and the Indosuez Bank. The average for the last quarter of Compagnie Financiere has since 1986. November held 19 per cent of

#### Thatcher to visit Georgia in Soviet trip

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By Patrick Cockburn and David Bucken

BRITAIN'S Prime Minister, Mrs Margaret Thatcher, is to follow the steps of her deputy premier, Lord Whitelaw, in making a foray to Soviet Georgia during her planned visit to the Soviet Union between March 28 and April L

It is likely she may break new diplomatic ground by meeting non-official Soviet citizens in Moscow, possibly Dr Andrei Sakharov, the non-conformist academician recently released academician recently released from internal exile in Gorki. Mr Bertez decided to sell after failing in his own attempts to expand his financial publishing business. Two years ago he set up La Tribune as an international financial daily.

Sir Geoffrey Howe, the British Poreign Secretary, has set a precedent for this in some of his trips to Eastern Europe by meeting, or having his official meet, opposition and church figures in Poland and Czecho-slovakia,

after disputes with the editorial staff and fiagging sales. The losses drained off much of the profit from La Vie Francaise British ministers have argued that they want to meet repre-sentatives of all of the people of foreign countries, not the government in power, although this has irritated East Euro-

pean governments.
Mrs Thatcher would, Britis officials hint, like to repeat the same formula in Moscow. It would be the first time a Western leader or minister has met any Soviet citizen who could be characterised as a dissident. It is not clear how the Soviet authorities will react.

Suggested contacts between the British Premier and a forthright dissident like Dr Anatoly Koryagin, until recently tailed for his expose of Soviet misuse of psychiatry, seem unlikely.

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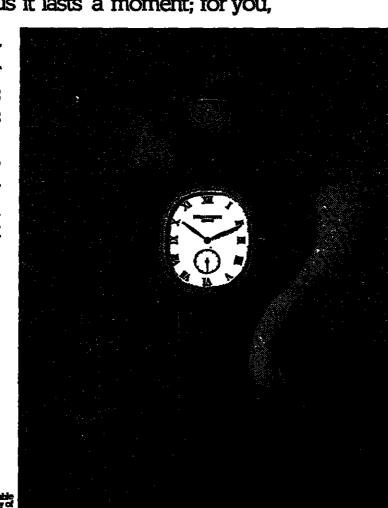
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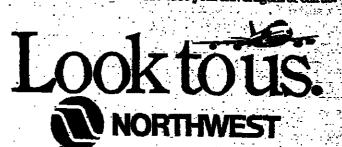
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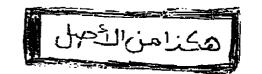
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# Kokoomus party gains as Finns shift to right

BY OLLI VIRTAMEN IN HELSINKI

FINLAND shifted to the right in parliamentary elections which closed last night, with the Kokoomus conservative party making the The conservatives won nine extra

seats, taking its presence in the 200-strong single-chamber parliament to 53, only three seats short of the Social Democrats, who lost one seat

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The Centre Party, and the three The Centre Party, and the three smaller parties in the same grouping – the liberals, the christian league, and the Swedish People's Party – gained up to eight seats, bringing their collective total to 58, after 90 per cent of the votes were counted. Kokoomus is now almost certain to get into a coalition gov-ernment after 22 years in opposi-tion. It aims to bring about a three-party coalition, with the Centre Party and the Social Democrats.

option last night but Mr Kalevei Sorsa, the Social Democratic leader, left his options opon.

into two separate parties last year, cent, largely because of a lack of

pected. The more pragmatic majori-ty appear to have held on to their 17 seats, while the pro-Moscow minori-ty lost 6 seats, dropping to only four. This is undoubtedly a blow to Moscow, which has appresent the ing their total to four overall. The socialist parties lost 7 seats and

defeat last night and blamed it on "fatigue" of the governing party.
"The same happened to the Social
Democrats in 1975 after a long stint

in a future coalition. Mr Paavo Väyrynen, chairman of the Contre The Contro Party Payoured this ing now formed the biggest group ing, and was in a key position to help form a government.

The turnout of voters dropped Finland's communists, who split from \$1 per cent in 1983 to 74 per suffered no sovero setbacks as ex- real issues in the election.

#### At least 19 killed in Soviet dam disaster

BY PATRICK COCKBURN IN MOSCOW

according to the Soviet news agen-

The disaster occurred when an avalanche of mud started by torrential rain destroyed a dam at the Saragazan reservoir. Water poured through a hamlet of 53 houses below the reservoir and also destroyed bridges and a section of railway.

In keeping with the new Soviet policy of reporting disasters, Tass mmediately gave details of the disaster. It said six badly injured peo-ple were brought to hospital and helicopters are searching for the

came down to 77, while non-socialists now have 123 seats. Mr Sorsa was ready to concede

in government," he said.

Mr Ilkka Suominen, leader of Kokoomus, claiming a clear victory, demanded "high ranking portfolios"

Party, said the parties of his group-

THE COLLAPSE of a dam in the Tass, in a report from Drhgara, Soviet central Asian republic of Ta-jikistan yesterday following very heavy rain has led to the death of 19 avalanche of mud destroyed the people and another 29 are missing dam of a reservoir, sending "a water mass" crashing down upon the village of Saragazan, AP reports

> Trity-three houses, a livestockbreeding farm and a poultry farm were swept away," Tass said. "Bridges and a railroad section were destroyed, communication was disrupted, part of the crops

> Tents, food and medicine were being rushed to the disaster scene. and senior officials of the republic had arrived to survey rescue and re-

#### **Portuguese** church in attack on child labour By Diana Smith In Lisbon

PORTUGAL'S Reman Cathelic church and trade unions have begue a concerted campaign against the use of child labour in the north and northeast, where large families, unemployment and under-employment are endemic. Grave concern has been

Grave concern has been expressed by the church, whose social as well as spiritual role is strong in the north, and by union officials. They reckon that thousands of children under or harely over school-leaving age of 14 work full-time for a monthly wage of about Es 5,500 (£25)—leas than a quarter of the

—less than a quarter of the minimum industrial wage—in conditions that often resemble old-style sweatshops.

Church authorities in the diocese of Braga, where tiny enterprises abound, report that girls are often kept stitching clothing or shoes six or seven days a week until midnight. Boys do heavy labour on construction sites or in mechanical workshops. The common factor seems to be that the enterprises are part of the underground economy, often working from garages or sheds where the entire set-up can be dis-mantled in minutes if a

labour inspector approaches.

The authorities are short The authorities are short of means to handle the problem. The nature of child-exploiting enterprises—unregistered, counting on parents to encourage schoolage children to shirk their education and do more than a full day's job, and employers loath to pay the modest national minimum wage—makes it hard to pin down illegal child labour.

Moreover, fines are a risible few thousand escudos when inspectors catch up with

when inspectors catch up with offenders. Nevertheless demands for

action are growing. There are fears that the problem is on the increase as statutory wages rise and employers' social security requirements

grow.

But in an area where adult illiteracy is deeprooted and generations have scraped by, passively accepting bleak housing and menial than because they saw no ing bleak housing and mema-jobs because they saw no alternative, or imigrating if they had more drive, accept-ance of a child's right to education and leisure does not come quickly.

Athens steers steady course after storms economy then followed Mr Itinaviotis Roumetiotis, the new Minister of Commerce, tabled This year got off to a turbu-lent start for the Greek economy. January and Februstrikes in the Socialist Government's five and a half year career as left and right wing unions joined forces in protest against a second year of wage austerity.

The Government imposed a

virtual freeze on wages at the end of 1985 as the lynchpin of straitjacketing the state-domin-sted banking system.

But the market had hardly had time to become complacent an economic stabilisation pro-gramme designed to reduce double digit inflation which was many times the European Community average, and to trim high current account and public sector deficits.

Pay protests were compounded by reaction from Greece's small and medium-sized business enterprises the double digit inflation which was

sized business enterprises, the backbone of the economy, against value added tax (Vat). January I after two extensions of the EEC deadline.

The Government succeeded in emerging from the turmoil with its stabilisation programme unscathed but for an adjustment of wages at the

lower end of the salary scale. expected to add about Dr 3bn to the 1987 state budget. To emphasise the fact that the Government was prepared to make no further concessions, Mr Andreas Papandreou, the Prime Minister, then carried out one of the most drastic cabinet reshuffles since the Socialists came to power in 1981. Critics of the austerity policy were removed from the cabinet and transferred to the

Socialist Party hierarchy.

A number of signals that the administration was now set on a course of liberalising Greece's

ary brought the worst wave of proposals to dismantle price controls. A committee of state bankers and economists headed by Mr Theodore Karatzas, secretary general of the Economy Ministery, unweiled its own proposals to gradually lift the complex web of regulated interest rates and credit rules

when it was thoroughly unsettled by the Government's unsettled by the Covernment's surprise announcement that it planned to secure a controlling interest in Greece's largest foreign investment—NAPC, the international consortium led by Demison Mines in Toronto, developing offshore oil deposits in the Narth Accepts Sec.

developing offshore oil deposits in the North Aegean Sea.

The move was justified by the argument that oil exploration in the sensitive Aegean region, where Greece is locked into a continuental shelf dispute with Turkey, must be subject to Greek state control for reasons of security. Many government officials admit privately, however, that the NAPC decision was both ill-presented and ill-timed, coming as it did the reduction in the deficit as a on the heels of an open invitation to foreign invariant.

the 1985 stabilisation measures and the goals for 1987.

down to \$1.756bn, 4.6 per cent of gross domestic product, from a record \$3.275bn, 10 per

Andriana Ierodiaconou reports on the success of the economic stabilisation programme

GREECE

%cf GDP

3.0-

cent of GDP, in 1985. Although critics argue that the improvement was due to external factors such as the fall in oil prices, which saved Greece over \$1bn, government on the heels of an open invitation to foreign investors by Mr Papandreou himself at an international economic forum in Davos, Switzerland.

Understandably. Economy Ministry officials—who are reportedly not informed in advance of the NAPC move—prefer to dwell on the prospects for deregulating the market, as well as the results so far of the 1985 stabilisation measures and the goals for 1987.

percentage of GDP can be traced to the stabilisation programme, which boosted exports and suppressed imports through a 15 per cent devaluation of the stabilisation programme, which boosted exports and suppressed imports through a 15 per cent devaluation of the stabilisation programme, which boosted exports and suppressed imports through a 15 per cent devaluation of the stabilisation programme, which boosted exports and suppressed imports through a 15 per cent devaluation of the stabilisation programme, which boosted exports and suppressed imports through a 15 per cent devaluation of the stabilisation programme, which boosted exports and suppressed imports through a 15 per cent devaluation of the stabilisation programme, which boosted exports and suppressed imports through a 15 per cent devaluation of the stabilisation programme, which boosted exports and suppressed imports through a 15 per cent devaluation of the stabilisation programme, which boosted exports and suppressed imports through a 15 per cent devaluation of the stabilisation programme, which boosted exports and suppressed imports through a 15 per cent devaluation of the stabilisation programme, which boosted exports and suppressed imports through a 15 per cent devaluation of the stabilisation programme.

beyond an estimated gross porrowing need of \$1.6bn in mark hanging over the economy, however, concerns the policy to be followed after next three years. Without the end of this year, when the next three years. Without refinancing, according to Bank of Greece figures, Greece faces foreign debt amortisation payments of \$1.5hn this year, which will peak sharply to \$2hn in 1988 and remain at a high \$1.8hn and \$1.85hn in 1989 and 1990 respectively.

They are more anylous over

will peak sharply to \$20n in 1988 and remain at a high \$1.85n and \$1.85n in 1989 and 1990 respectively.

They are more anxious over a goal to trim the net public sector borrowing requirement (PSBR) on a cash basis by four percentage points relative to GDP, to 10 per cent of GDP. In 1981 the net PSBR on a cash basis 14s reduced to about 14 per cent of GDP from 18 per cent of GDP the previous year, although excess spending by public sector corporations led to an overshoot of the credit expansion target of 17 per cent for the year.

The hardest target for 1987 in the authorities' view is that of reducing inflation to 10 per cent from 16.9 per cent in 1986.

of reducing inflation to 10 per cent from 16.9 per cent in 1986. The target figure is described by government economists as 
"a cross between what is 
realistically feasible, and 
aspirations."

Although the 10 per cent figure allows for a 2 per cent increase in the price index due to Vat, officials say the new tax creates "enormous uncertainty both with regard to prices and consumer belaviour." Inflationary speculation at the end of last year in
anticipation of V2t introduction obliged the Government to
Government knows as well as impose a three month wage any other that voters are not freeze in November to avoid to be wooed with wage freezes," one observer administration was now set on and the goals for 1987.

a course of liberalising Greece's traditionally nigaly regulated current account deficit in 1986,

In practice, however, the domestic political situation has become volatile, with early become volatile, with early general elections, possibly next year, no longer to be ruled out, since municipal elections tast October in which the Socialists suffered significant losses. The fear is, therefore, that from the end of this year economic policy will become a hostage to political developments, to its detriment. "If you look at public sector spending

# Call for more reform in Poland

tees every worker a job, is as high in real terms as in the West and costs the economy billions of dollars a year, according to a senior nic economist, Renter reports

Professor Jozef Kaleta of Wroclaw University said in a student magazine interview quoted by the official PAP news agency yesterday that economic reforms should give priority to a return to market, me-

where the socialist system guaran- Gorbachev and seek Western in US. vestment, he added.

Prof Kaleta, who has frequently been an outspoken commentator on the economy, said: "Even though we formally have full employment, we do in fact have unemployment but in a hidden form. I believe that it is not smaller than in leading capitalist countries."

roland and other sovier-onc its falles san that at least name of proposed the keen to see the Cyprus problem the sake of an other apparent full employment as a dustry was ploughed back to subsitive formula in Greek-Turkish their apparent full employment as a human right denied to those out of disc loss-making companies.

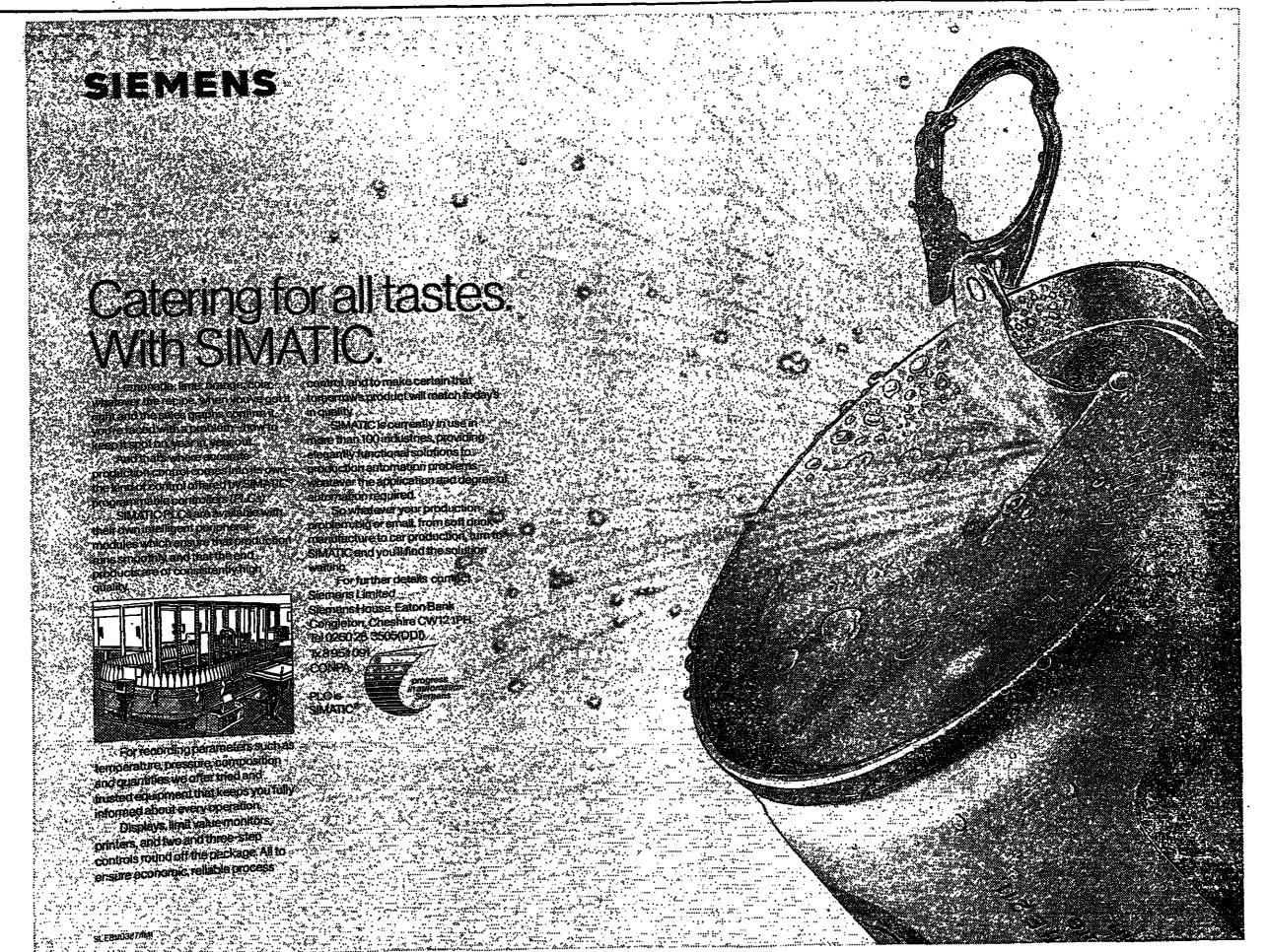
UNEMPLOYMENT in Poland, ample of Soviet leader Mikhail work in Western Europe and the

Prof Kaleta said hidden unemployment manifested itself "in the high rate of absence from work, very poor labour efficiency, or the hiring of a vast army of staff for useless administrative jobs."

Although there was no precise estimate of the cost to the economy, Poland and other Soviet-bloc Prof Kaleta said that at least half of

#### Kyprianou in Athens for Cyprus peace plan talks

THE PRESIDENT of Cyprus, talks with the Greek-Cypriot Mr Spyros Kyprianou, arrived and Turkish-Cypriot sides, in an in Athens yesterday for talks with the Greek Government on the latest United Nations effort to draft a mutually with the Greek Government on the latest United Nations effort to draft a mutually with the Greek Government on the latest United Nations effort to draft a mutually with the latest United Nations of the UN secretary general, peace initiative for the divided launched his peace initiative. eastern Mediterranean island. for Cyprus three years ago
UN officials who visited with the blessing of WashingNicosia last month are understood to have proposed the keen to see the Cyprus problem.



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#### Fate of Beirut hostage in balance

hosinge threatened with death by an underground pro-franken group hung in the balance last night 25 2 top Shia Moslem eleric indicated that his life ghould be spared. In an unprecedented call, Sheikh Mohammed Hussein Fadlaliah, the supreme spiritual guide of Lebanon's execution of Mr Jean-Louis Normandin a television technician would not "serve our

for his execution approached last night Sheikh Fadlallah said: "If he is innocent, en what bases are we threatening to execute him and if he isn't innotent, then why wasn't he tried from the

Referring to the demand of the abductors, the Revolu-tionary Justice Organisation, that Mr Jacques Chirac, the French Prime Minister, should discoun remarks re-cently made by President Francois Mitterrand on the hostages and the Iran-Iraq war, Sheikh Fadirilah said: "Van cannot confront the "You cannot confront the policy of a president by executing a kidnap victim."

The Revolutionary Justice Organisation is reckoned to be related to Islamic Jihad. in

related to Islamic Jiliad. In whose name most kidnappings in Lebanon have been undertaken. Both operate under the umbrella of Hizbollah, or Party of God, the Iranian-backed extremist Shia movement suided by Sheikh

Another prominent cleric of the sect, Sheikh Mohammed Mehdi Shamseddin who is vice-president of the Higher Shia Islamic Conneil, expressed optimism that the life of Mr Normandin would be spared saying that he had made "tiring and sensitive efforts to secure his safety."

#### Aquino bans vigilante groups

PHILIPPINE President Corazon Aquino yesterday ordered the immediate disbanding of several powerful armed civi-lian vigilante groups in a move political analysts said risked offending the country's restive military. Reuter reports from Manila.

Defence officials said Mrs

Aquino had signed an order scrapping existing groups. A second order provided for the formation of a single national

The banning order includes ne semi-official Civilian Home Defence Force. which has more than 70,000 members and was established under the regime of former

#### China blast kills 54

A huge explosion in a flar factory in the north east China city of Harbin killed 45 workers and injured 185, the official China Legal News reported yesterday, Reuter reports from Peking. The newspaper said the explosion in the early hours of vesterin the early hours of yester-day destroyed four buildings at the plant. More than 470 workers were in the factory

The enormous rise in South market will provide substantial
at the time of the explesion. Korea's exports to the US, potential growth, he believes,



Pollard: a rogue espionage operation that went wrong

# Israel assures US Jews over spy

BY OUR JERUSALEM CORRESPONDENT

worried American Jews yester-day that it had taken to heart the lessons of the Jonathan Pollard espionage affair and was acting to restore its standing in the US.

Mr John Marsh, US Secretary of the Army, arrived for a longscheduled visit to Israel in an important sign that the Reagan Administration is not allowing displeasure over Israel's spying in Washington to disrupt their close military relationship.

American Jews, fearing their loyalty to the US may have been been among Israel's harshest Washington.

tritics in the past two weeks.

Pollard, an American Jew, Security sources said the need to distance themselves.

The Conference of Presidents of was sentenced to life imprison
Pollard case broke a long from Pollard.

Shimon Peres yesterday to express their concern, particularly at the apparent rewarding of two Israelis who recruited and ran Pollard.

The director-general of the unbreila organisation, Mr falcolm Hoenlein, said Malcolm Hoenlein, said American Jewry had been "hurt and embarrassed" by the affair. Defence Minister Yitzhak Rabin, addressing the Hadassah women's Zionist organisation that includes many Americans, denied press reports that Israel had planted other agents in

documents on Soviet and Arab military capabilities to Israel. The Israeli Government insists it was a rogue espionage opera-tion, but has established an inquiry that may assess the responsibility of political

leaders. Government officials indicated privately that Israel had channelled money discreefly to Pollard's defence lawyers, in an apparent effort to assuage Israeli public concern that a man who risked his freedom to help Israel should not be abandoned.

BY OUR JERUSALEM CORRESPONDENT

ISRAEL SOUGHT to reassure Major American Jewish Organiment this month for passing standing policy set by the
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Some Israelis have accused American Jews, a potent source of support and fonds for the Jewish state, of ever-reacting and questioned their ethnic

Profesor Shlomo Avineri, a Hebrew University political scientist wrote in a polemical "Open letter to an American friend" that if US Jews really felt comfortable in their own

# Hybrid British passport on Hong Kong talks agenda

INTERNATIONAL recognition of the hybrid British passport that Hong Kong citizens will be able to use after 1997 is expected to be the main issue at the sixth session of the Sino-British joint liaison group, which begins in Hong Kong

Mr Robin McLaren, who was until recently Britain's ambas-sador to the Philippines, will sador to the Philippines, will in on the meeting before taking tomorrow take his seat for the first time as head of Britain's retirement from the Rong Kong

in on the meeting before taking over from Mr Eric Ho, whose that has been flagged ahead of retirement from the Hong Kong civil service is imminent.

Across the table in Hong

up at the end of 1984 to deal with practical problems linked with Hong Kong's transition to Chinese team led by Ke Zaishno, Chinese sovereignty in 1997.

He will not be the only "new boy" in the British team. With him will be Mr Dick Cliff, newly appointed political adviser to the Hong Kong Government, and Mr Donald Liao, a local civil servant who will be sitting in on the meeting before taking over from Mr Eric Ho, whose

Maggie Ford reports on Seoul's fears that protectionism will nip its growth in the bud

# Success puts S Korea under strain

DR ROY BABAN will shortly experience an unusual end to this phase of his career as an International Monetary Fund official. He will clear his desk, pack his bags and return to Washington, for the world's fourth largest debtor nation no longer has need of his services. South Korea, with a foreign debt of \$450n behind only Brazil, Mexico and Argentina, made its first repayment of

\$1.8hn at the end of last year and hopes to reduce total bor-rowings to \$41hn by the end of The repayment crowned the most successful year in the country's economic history as

its export-led strategy paid off

in the first trade surplus ever The figures speak for themselves. Growth in gross national product increased by 12 per cent in real terms, exports rose by 30 per cent while the inflation rate remained low at 1.8 per cent. South Korea's current account surplus of \$4.6bn reflected a trade surplus of \$4.2bn after years of deficits, mostly in the billion dollar

The trend is continuing with preliminary figures for January showing a 38 per cent rise in exports compared with the same month last year. But economists are increasingly concerned that that country could become a victim of its own success.

Their concern focuses on three areas: the trade relationprotectionist-minded Demo-cratic-controlled congress; the home and abroad of South Korea's development,

Moi signs £50m UK aid accord

PRESIDENT Daniel arap Mol of Kenya, who is on a two-day visit to Britain, yesterday signed

Thatcher, described by British Last month they set up an officials as "extremely friendly." opposition party, the Movement They declined to say whether for Unity and Democracy in

record sales of Hyundai small cars, led to a bilateral trade surplus of \$7.4bn last year. The surplus was accompanied by a rapid increase in demands for opening of markets to US products, for appreciation of the Korean won against the dollar

and for tariff reductions, Officials fear that a weakened Reagan Administration will be unable to fend off congressional demands for barriers against South Korean goods and that the proliferation of bilateral "voluntary" agreements on curbs will further restrict their trading opportunities.

They concede that South Korea must make better efforts to open its own markets and oint to a number of measure taken recently. They include legislation to protect intellectual property rights, moves towards the introduction of more liberal banking, insurances and financial markets, and attempts to switch imports from Japan, with which South Korea has a \$4.80n trade deficit, to countries where it is running a

The Government's major concern is that protectionism will nip in the bud the country's successful drive into high techelectronics. Its textile and footwear exports are already likely under the congressional trade

three areas: the trade relation-ship with the US under a Economic Planning Board protectionist-minded Demo-already wonders whether the export-led strategy can work for the country in the long term. income groups and external im- He points out that neither the balances between exports and European Community, Japan imports; and the perceptions at nor even China are growing home and abroad of South fast enough to take up the slack.

The South Korean domestic

as demand for consumer goods siso a month, barely a living Looming over the country's rises with higher incomes. The wage. Housing costs have inpact success and future prosproblem for the Government creased from 12 per cent of pects is the political challenge here, however, is to maintain incomes in 1975 to 20 per cent of achieving a peaceful transfer.

in 1985.

Wage levels and income distribution provide one example of the imbalances in the economy that are challenging the planners. Since the country passed the level of \$2,000 per capita gross national product, expectations have been rising. But so, according to critics, has the gap between the layers and have nots.

The main worry about the main worry about imbalances is external, however. South Korea's competitivity has been helped by the high yen, but not without costs. It relies on Japan for imports of many components for its own manufactured exports and the appreciation of the yen has only made the trade deficit worse. It reached \$5.4hn last year from \$35n the year before. The growth rate in farm incomes is down in real terms, a problem for the Government of diversify imports to Europe and President Chun Doo Hwan the US, which would also have which derives support from the advantage of reducing the rural areas. Workers in small surplus, though at a relatively factories may earn as little as early stage.

of power early next year when President Chun Doo Hwan steps down. No end is in sight of the struggle over this issue and few would care to predict the economic effects of a transfer For the IMF, however, the job is over. Its officials have watched for 20 years as a back-ward agricultural mation, divided and severely damaged by war, developed an industrial base able to take on the best in the world. South Koreans will be hoping that the substantial hurdles immediately shead will not prove too high for the country's leaders.

#### NOTICE OF REDEMPTION

#### International Bank for Reconstruction and Development

16% U.S. Dollar Notes of 1981, Due May 6, 1988

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Fiscal and Paving aggregating \$20,000,000 principal amount have been selected for redemption on May 6, 1987 at the redemption price of 100% of the principal amount thereof, together with accrued interest to said date, as follows:

OUTSTANDING NOTES OF \$5,000 EACH OF PREFIX "Y" BEARING THE DISTINCTIVE NUMBERS ENDING IN ANY OF THE FOLLOWING TWO DEGITS:

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BEARING THE FOLLOWING SERIAL NUMBERS:

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INTERNATIONAL BANK FOR RECONSTRUCTION

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Dated: March 17, 1987

# S Africa judges under fire

more than £200m.

Ald and development issues
were discussed during an 85minute meeting with Mrs tles in Britain of Kenyan exiles.

BY WILLIAM DULLFORCE IN GENEYA

six years Britain has provided custody.

more than £200m.

Aid and development issues

SOUTH AFRICA'S judges were strongly criticised yesterday by the International Commission the International Commission of Jurists (ICJ) for "participating in a legal system which denies basic rights to personal liberty" and for imposing "appallingly harsh" sentences, on juvenile particularly on juvenlle offenders.

The Geneva-based ICJ is a non-political organisation sup-ported by jurists from all continents and holding consul-tative status with the Council of Europe. It sent a fact-finding mission

of four lawyers to South Africa for three weeks in February. for three weeks in February.

In its preliminary report cape Town had refused to released yesterday the ICJ change sentences of seven years team acknowledges that, however courageous and independent they may be, South African judges can only marginally mitigate the impact of face, setting fire to curtains and the country's security laws.

But it considered the judges' reported.

presence on the bench lent legal system in which personal and political freedom was left unprotected.

Even judges whom the ICJ lawyers had found to be "eminently civilised and sensitive in conversation" had imposed extremely harsh sentences under the ordinary criminal law. Many sentences imposed recently on children in public violence cases were "unreasonable to the point of barbarity" in the opinion of the ICJ lawyers.

Two supreme court judges in

visit to Britain, yesterday signed a £50m UK aid agreement when he met Mrs Margaret Thatcher, the Britain Prime Minister.

The loan, first offered earlier this month by Mr Christopher Patten, Minister for Overseas Development, who met Mr Moi yesterday, confirms the country's position as the largest recipient of UK aid in substix years Britain has provided

They declined to say whether for Unity and Democracy in Kenya (Ukenya).

Mr Moi, who arrived in Britain at the weekend after talks in Washington with President for their councilon with Mwakenya, a left-wing opposition movement, and many recipient of UK aid in substitute of these held have complained of those held have complained of the US and Britain as an important east African ally. The US navy has access to the Indian

Kenya is regarded by both the US and Britain as an impor-tant east African ally. The US navy has access to the Indian Ocean port of Mombasa, while British troops regularly conduct training exercises in the

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pleted. Morgan Guranty Trust Company of

NOTICE TO THE HOLDERS OF ARNOMOTO CO., INC.

Warrents to Subscribe for Shares of Common Stock of Ajmounds Co., Inc. Issued in Conjunction With an Issue

U.S. \$120,000,000 5% per cent. Bends due 1999 Parameter to Chause 4(A) and (B) of the Instrument dated December 19, 1995, under which the above Warrants were instead, notice is harshy given as follows:

1. On February 27, 1997 the Beard of Directors of the Company resolved to study a free distribution of ghaves of its Comment Stock to shaveholders of reach as of March 37, 1997, in Japan, at the raise of a new shares for each 100 shares held.

2. Accordingly the subserviction were of

for each 100 shares build.

2. Accordingly the subscription price of the Warrants will be adjusted effective as of April 1, 1987, Japan time. The subscription price in effect prior to such adjustment is Yes 1,152 per chart of Common Stock, and the adjusted subscription price will be Yes 1,040.10 per share of Common Stock.

AZMONOTO CO., SIC. By: The Bank of Thiyo Trust Company or Disbursement Agent NATIONAL BANK OF HUNGARY US\$200,000,000 Floating Bate Notes due 2000 (Coupon No. 4)

Pursuant to note conditions, notice is hereby given that for the interest period from 17 March 1987 to 17 September 1987 an interest rate of 64 per cent per annum will apply.

Amount per coupon=US\$345

Payable on 17th September 1987

The Long-Term Credit Bank of Japan Ltd Dated 17th March 1987

Hessische Landesbank-Girozentrale US\$100,000,000 Floating Rate Notes due 1996

(Coupen No. 2) Pursuant to note conditions, notice is hereby given that for the interest period from 16 March 1967 to 16 September 1987 an interest rate of 6% per cent per ansum will apply. Amount per coupen = US\$1,645.14, payable on 16th September 1987.

> Reference Agent: The Long-Term Credit Bank of Japan Ltd London Branch "Dated 17th March 1987



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trad BY DOREE

FOREIGN investors have helped to drive the Canadian dollar to its highest leve in more than two years, in spite of falling domestic interest rates.

The dollar rose shove 76 Us cents yesterday, a gain of more than 10 per cent since it reached a record low against the US dollar during a foreign currency crisis just over a year ago.

In a break with the experience of the past decade, Ottawa has been able to lower domestic interest rates without putting pressure on the Canadian dollar. Canadian banks lowered their prime lending rate last week by half a point to 8.75 per cent, the lowest level in 13 years.

In addition, the gap between US and Canadian short-term interest rates, normally a crucial determinant of the strength of the Canadian dollar, has narrowed to 150 points, compared to almost 400 during last year's currency crisis.

Mr Charles Lynch, chief foreign exchange trader

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FOREIGN investors have helped to drive the Canadian dollar to its highest leve in more than two years, in spite of falling domestic interest rates.

The state of the completed quarterly purchases of US dollars for remittances to their parent companies.

Rising energy and other commodity prices combined commodity prices combined to imports.

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with slower growth in imports are expected to raise Canada's trade surplus to about C\$12bn this year, from C\$2.6bn in 1986. According to an estimate pub-lished yesterday by the Finan-cial Post of Toronto, foreign

cial Post of Toronto, foreign companies have spent almost C34bn on Canadian assets in the past six months, centred on the forestry, energy, drinks and financial service industries.

Mr Lynch said that investors have also been drawn by the prospect of a successful conclusion to the ten-month talks on a US-Canada free trade agreement. Foreign purchases of Canadian bonds, mainly from Japan, reached almost C37bn last year, compared to C33.3bn in 1985.

McLeod Young Weir, a

pared to almost 400 during last year's currency crisis.

Mr Charles Lynch, chief foreign exchange trader at Toronto Dominion Bank, ascribed some of the recent surge to hedging by corporate treasurers and to buying by Chicago speculators. US subsidiaries in Canada have almost the dose of the US, by far its biggest trading partner.

#### Opposition party moves to consolidate popularity BY BERNARD SIMON

CANADA'S left-leaning New Democratic Party has made key concessions to Quebec nationalists as part of its efforts to consolidate a recent surge in popularity.

The NDP, which has tradi-tionally supported a strong federal government, decided at a convention in Montreal to recognise Quebec as a unique society in Canada. The party also agreed, if it comes to power, to give Quebec a limited yeto over changes in the Canadian constitution and to allow the predominantly French-speaking province to opt out of federal programmes with full financial compensa-

The NDP has only 29 out of 82 seats in the House of ons. But recent opinion

polls show its popularity at record levels. With the support of almost one in three voters, the NDP is well shead of the ruling Progressive Conservative

The party, the rump of whose support is among trade unions and on university campuses, appears for the first time to have made significant inroads in Quebec, especially among supporters of the province's nationalistic Parti Quebecois, processed in the province of t whose platform also has a social

democratic bias.
Support for the NDP has in the past tapered off as elections approach. Its platform includes a number of proposals, which have been too radical for the average Canadian voter, such as pulling Canada out of Nato and nationalising at least one of the big Canadian banks.

#### Venezuela puts in troops to quell city riot

VENEZUELAN troops and police have taken control of the western city of Merida to quell riots and street disturbances that began last Friday after a student from the University of the Andes was shot to tell them that the company

The student's death provoked a city-wide wave of window-smashing, rioting and looting by groups of university students and local youths. at the week-end. Bands armed with rocks and clubs attacked police and national guardsmen, burned down a store used by military personnel and set fire to the local headquarters of Democratic Action, the ruling Gov-

erance Action, the running deviations of the Venezuelan devaluations of the Venezuelan in the Merida disturbances were the worst seen in Venezuela in recent years. One newspaper suggested that members of a foreign loans, import equipment arguing to encourage greater violence.

The Venezuelan devaluations of the Venezuelan increased the company's foreign debt service to the point where it would no longer be able to repay its foreign loans, import equipment arguing the property of the most far-left group were trying to encourage greater violence among the rioters.

among the rioters.

No firm figures were available on the numbers of individuals hurt or arrested, but damages to homes and businesses in the centre of Merida, a picturesque city in the Venezuelan Andes, were considerable.

No firm figures were available on the most private operations in Latin America—warned earlier this month that it would be forced into bankruptcy by 1990 unless the Government agreed to grant increases in electric power rates.

#### Troubled utility to meet bankers on loan problem

to tell them that the company cannot repay its foreign loans because of conditions imposed by the Venezuelan Government. Talks between bankers and Talks between bankers and Mr Francisco Aguerrevere, the president of La Electricidad, and the company's vice president, Mr Luis Jose Diaz Zulogaga, were scheduled to begin today, the company said.

La Electricidad said recent devaluations of the Venezuelan beligner had impressed the company and the company had impressed the company and the company had impressed the company and the company and the company and the company in the

#### Oil price fall pushes Peru trade balance into the red

BY DOREEN GILLESPIE IN LIMA

PFRU recorded a \$50m (£32m) for at least seven months of trade deficit last year following imports. a \$1bn a year surplus for the past three years. Peru last exports this year would total registered a deficit on the trade \$2.5bn and said Peru would continue to limit navments of the balance in 1982.

balance in 1982.

The turn-round reflects a sharp fall in Peru's exports to \$2.5bn from almost \$3bn in 1985, mainly reflecting a collapse of oil prices at the beginning of last year. Imports rose to \$2.6bn compared with \$1.5bn in 1985.

The increase in imports reflects growing food purchases abroad to cover local shortages and imports of industrial inputs as a result of last year's 8.9 per cent economic growth.

International reserves have fallen by \$440m since last September, and this week the september, and this week the central bank put into effect new regulations forcing importers to obtain foreign exchange licences for all imports of capital goods. Companies cannot begin paperwork for import licences without first obtaining approval to The

said there would not be a vestment should be encouraged to there would not be a vestment should be encouraged in mining and petroleum, it that Peru had enough dollars said.

tinue to limit payments of the foreign debt to 10 per cent of its

exports.

Meanwhile Mr Peter Bigen head of the World Bank mission which has been in Lima for the past week, said the bank had agreed with the Government to disburse an \$80.5m credit line for the city

only a draft and did not reflect current world bank opinion. The report argued that the Government's economic policies and ambitious project plans through to 1990 were unrealistic and inconsistent. Even if it could raise the funds it would be taking away available resources from private enter-

work for import licences without first obtaining approval to use the foreign exchange.

Dr Leonel Figueroa, the central bank president said priority was being given to basic priority was being given to basic food and medicine imports. He said there would not be a

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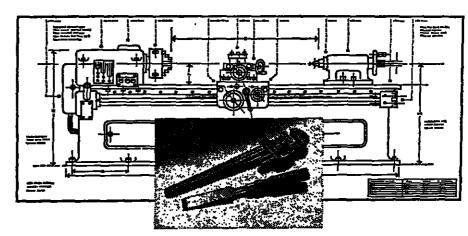
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# "What's special about these Danish companies?"

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FINANCIALTIMES 

# **EEC** launches plan to boost exports to Japan

The commission says counter-

feiting remains a major prob

lem, with virtually all the major European names for

luxury goods — such as fine leather goods. perfumes, watches, pens and jewellery — suffering in Japan. Again it

proposes co-ordinate action with EEC manufacturers to make policing in Japan more

A new memorandum has also

been presented to the Japanese

Government to make public purchasing more open and transparent. In one field —tendering for the new Kansal

airport contract—the commis-sion has had direct negotiations with the airport authority and proposes holding a seminar for

European contractors in Osaka. Sectors where negotiations on

more open norms and standards,

and removal of other barriers, as aleady under wa yinclude medical equipment, telecommunications, and financial ser-

this year.

• An increasing number of concerned

Since September 1985, the

THE European Commission action with European exporters yesterday proposed action in is suggested to tackle the new sectors to boost EEC ex- problem. ports to Japan, including cos-metics, dairy products, and tougher measures to control

In a wideranging report to EEC foreign ministers on the state of trade relations between the community and Japan, the commission also spelt out initiatives it is taking in other areas including public procurement, shipbuilding, footwear and food.

It points to a slight improve-ment in the European penetrament in the European penetra-tion of the Japanese market, with a 10 per cent increase in exports in the general field of machinery and equipment, electrical products, cars and sir-craft and a 2.2 per cent overall increase in EEC exports of manufactured products to

In US dollar terms, EEC exports to Japan increased from \$8.85bn (£5.9bn) in 1985 to \$12.43bn in 1986—up 40.5 per cent—although in yen terms the movement shows up as a drop of 1 per cent, as a result of the strengthening of the yen against

In contrast, US exports to Japan showed an improvement of only 2.3 per cent in dollar terms and a deterioration of 28 per cent in yen terms.

The commission report sug-gests some modest, but still about opening their domestic inadequate, success for the twin-track approach of global and sectoral trade negotiations the trade of the year problems rela-ted to the year's sharp rise with Japan.

markets to foreign competitors, saying they fear problems related to the yen's sharp rise against the US dollar, a Govern-The new sectors to be attacked include dairy exports, where EEC sales of cheese reached a modest Ecu 60m in 1985. The commission says ful in opening its doors because Japan is planning to double of domestic economic problems cheese production over the next five years and uses strict quotas Prime Minister's office reported. and high tariffs to protect its A year earlier, only 28.9 per market. It plans to start nego- cent had expressed such conto eliminate those cerns.

Cosmetics is another sector yen has risen by about 60 per the commission proposes to cent against the dollar, making attack, in particular to relax Japanese goods abroad more exthe Japanese rules to permit pensive and leading to fewer different ingredients. Joint exports,

#### **McDonnell** joins fight for Dutch 'copter order

By Laura Raun

MCDONNELL DOUGLAS, the US aerospace company, has joined the battle for a Fl 780m (£230m) order for 20 light-attack helicopters from the Royal Netherlands Air

The contract is part of a Fi 2.5bn overhaul of the air force's helicopter fleet and aiready has drawn keen interest from Agusta of Italy and Aerospatiale of France.

McDonnel Douglas representatives lobbied Dutch MPs yesterday and were to meet Defence Ministry officials later in what may be an uphill

Mr Jan Van Houwelingen, Under-Secretary of Defence, is an avid supporter of Euro-pean co-operation in and development and his short-listed Agusta's Mongoose and Aerospatiale's Panther.

But at MPs' request, McDonnel Douglas came to The Hague to present a case for its Apache helicopter. The Lyux 3, made by West-land of the UK, was removed from the short-list last year because of its high cost and disappointing performance.

By May, the Defence Ministry is supposed to make its recommendation, which will then go to parliament for exports is also under discussion, although the commission is not rushing into new action, in spite of a surge in European imports

The new armed helicopter, to be delivered from 1990, will replace the ageing Aleuette His for the defence of the north-eastern border with West Germany. Mr Van Houwelingen is driving a hard bargain for the order, offering to pay no more than F1 20m an aircraft and demanding compensation orders covering 100 per cent of the deal. Part of McDonnell Douglas's bandicap is that the Apache costs between F1 60m and F1

It is not known what kind of compensation orders are under discussion although Aerospatiale is believed to have offered to buy back its Alouette IIIs for about F1 Im

# Richard Gourlay reports on a calmer climate for potential Philippines venture capitalists Investors turn an inquiring eye on Manila

vestment in a seminconductor sented said. assembly plant in the Philip-pines, attracted mainly by low

Within six months the company hopes to employ 1,500 Dan Montano, a venture capi-people and be a major player talist and manufacturer of in an industry that, despite medical electronic products, tough times worldwide, has also from California's silicon grown into the country's single valley stable. largest dollar earner. Team Pacific's move is a sign

that venture capitalists, often in small and medium sized enterprises and often with pre-vious experience in the country, are beginning to test the investment water

The interest is not confined to the electronics assembly industry. For example, a push to expand agribusiness has led to a sprouting of small and medium scale prawn farms mainly for the apparently insatiable Japanese market.

But the large investments the investment water

only on the horizon. The US Government's Overseas Private

TEAM PACIFIC CORP, founded was premature in proclaiming by former employees of Silicon the country to be on the verge valley's Fairchild Inc, this of "an economic miracle." a month announced a \$10.7m in number of the companies repre-

"The disincentives to investing in the Philippines seem to be going but there don't seem to be any incentives," said Mr Dan Montano, a venture capi-The distincentives referred

the distancentives reteared to are generally seen as political instability and labour unrest. Since President Corazon Aquino nursed a new constitution through a referendum in February, overwhelmingly renewing ber mandate at the country has same time, the country has moved a long way towards political stability.

Major problems remain, not least of all being whether an unruly congress will be able to push through vital legislabut the large investments that many economists believe are essential to build further political stability and sustainable economic growth are still only on the horizon. The Us

Investment Company, which appalling strike record in 1986 the new investment in order to swept through Manila with 27 has sharply improved this year. meet its ambitious 6-7 per cent corporate executives last week, However, the new Labour Security for the security of the



Cory Aquine: calmer political climate

be carefully watched during the annual "spring offensive" in April, when unions have been at their most militant in the past, to see if he can prevent illegal strikes where his predecessor failed.

However, the country needs the new investment in order to meet its ambitious 6-7 per cent

final shape of a new invest-ment incentives code launched last month for public hearings and whether it can compare with incentives offered by, for example, Thailand, the latest Asian country aggressively trying to attract new investment.

Initial reactions suggest that none of the new incentives will make the Philippines stand out from its Assan neighbours as

an investment haven.

Minor question marks on the political front hang over who will replace the nine cabinet officials who are stepping down to stand for the senate elections in May, and whether the later than the senate of the senate of the senate of the senate elections in May, and whether the later was really have

tions in May, and whether the labour unions really have pulled in their horns.

But the other major concern to investors is whether their increasing interest is reflected by Filipino businessmen. Some estimates suggest Filipinos transferred \$3 to \$100n out of the country during the last years of former President Ferdinand Marcos's regime. Almost none of it has yet returned in new investment.

quickly than investors seem potential joint venture partners and local investors, according to and local investors want to see the

The country's strong ties with the US, where many of the country's brightest students are educated and then attracted by higher salaries or bigger markets, has also added to the

entrepreneur drain. It is one reason why support industries for companies like Team Pacific have not developed. It also explains why, developed. It also explains why, in the electronics industry for example, after more than 10 years in the Philippines, the locally-supplied value added tends to come from labour alone, industry sources say.

In the domestic market, investment opportunities are likely to remain limited for some time, economists my.
Gross national product per
capita is one of the lowest in
Asia at \$539 and only began to grow again in the last quarter of 1986 after nearly three years

Furthermore, many industries Furthermore, many industries the former President Furthermore, many industries are running at only 50 per cent capacity. They can handle the forceased domestic demand that high copra prices and a rise in government spending on entergrand of entrepreneurial talent from the Philippines during the Marcos years left a dearth of stimulate.

# Cocom move to reform rules on technology exports

THE MAJOR industrialised countries are examining the streamlining of export controls on sales of sensitive tech-nologies to the Soviet bloc, in a move which would could give a new impetus to East-West

also aimed at tightening super-vision of sales of goods from a range of Western countries which are not Cocom members. A high-level meeting of Cocon, which groups all Nato countries with the exception of Iceland, plus Japan, agreed in January to investigate what officials call new ideas for the organisation's work. Further talks are due to be

held in the next few months, which could result in conclusions being drawn up during the

The Cocom suggestions are not linked directly to the West's efforts, spearheaded in Europe

None the less, they point to a less hawkish approach to Cocom than that advocated in the past, particularly by the US Defence Department. They also tie in with the desire of indus-

# The moves, under discussion at the Paris-based Co-ordinating Committee for Multilateral Export Controls (Cocom), are also aimed at tightening systems. Warning to the West over Soviet trade

WESTERN companies which the Soviet Union is reluctant believe the Soviet Union's into buy technology abroad and dustrial modernisation effort will do so only as a last resort, will mean a bonanza for high-technology exporters will be disappointed, according to Mr of the country's need to husband Ed Rewett, a leading specialist scarce hard currency resources. no newert, a leading specialist scarce hard currency resources, abroad for Soviet goods than to on Soviet economic affairs at he said. The basic commitment gain access to new technology, the US Brookings Institution. of Mr Mikhail Gorbachev, the he said.

gestions run parallel to efforts in the US, led by Mr Malcohn Baldrige, the Commerce Secretary, to cut sweeping US export controls which are stricter han those applied through Cocom, which began in 1950, tries to prevent militarily-use-

The Soviet Union is reluctant Soviet leader, to indigenous technology " runs very deep." The motivation for the muchvaunted new law on joint ventures with Western companies was more to open markets

Additionally, the Cocom sug-estions run parallel to efforts passed to the Soviet binc. Its in the US, led by Mr Malcolm work has become progressively addrige, the Commerce Secre-ory, to cut sweeping US extechnologies in fast-expanding areas like computers and tele

communications,
The proposals, going beyond
previous efforts to cut bureaucracy by subjecting the Coton
lists of proscribed goods to contimuous revision, would result in a cut in the length of the key Cocom list dealing with high-technology products capable of both military and divilian use. Apart from simplifying the list, Cocom plans to look into ways of bringing countries as diverse as Brazil, India and Sweden, which are not part of Cocom, under some form of



Swiss Bank Corporation and export financing.

#### If you're not interested in foreign markets, iust turn the page. And while you're turning, somebody

out there is making plans to grab the customers your company needs. Maybe it's already happening. A lot of companies make the news by learning about the international marketplace the hard way.

Are we trying to tell you there's an easy way? Not really. Except that the easiest way is probably to work the hardest. But if you are taking foreign sales seriously, the transaction skills we've developed over the years could make life easier for you.

Remember, these are the markets we grew up in. And our business keeps growing.



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### Italian machine tool sales rise

BY ALAN FRIEDMAN IN MILAN

ITALY'S machine tools industry achieved a 17 per cent increase in sales last year, to L2495bn (£1.2bn), which enabled the Italians to maintain their positive in the industry, against L976bn in 1985.

UCIMU, hased in Milan, which has 162 members (including Comau, Italy's biggest tion as the world's fifth biggest

Exports grew seven per cent at current prices, a drop of 0.4 per cent in real terms, according to UCIMU, the machine tools manufacturers' association

56.4 per cent of the total turn-over of the machine tools

Imports increased 28.2 per software and flexible manufac-cent in real terms, to L517bn. turing systems as well as This resulted in a L929bn trade machine tools.

which has 162 members (in-cluding Comau, Italy's biggest company in the sector), announced yesterday that it is to change its structure to in-

clude factory automation com-

panies. Mr Pierkuigi Streparava, its president, said the inter-national market had been trans-

over of the machine tools increasingly require solutions industry.

Italy's most important export markets last year were West Germany, the US, France, the Soviet Union, China and the involved in the manufacture of the manu of numerical controls systems

He stressed the future of machine tools was in computerintegrated manufacturing. He claimed listim compenies were as avant-garde as their Japanese or US competitors

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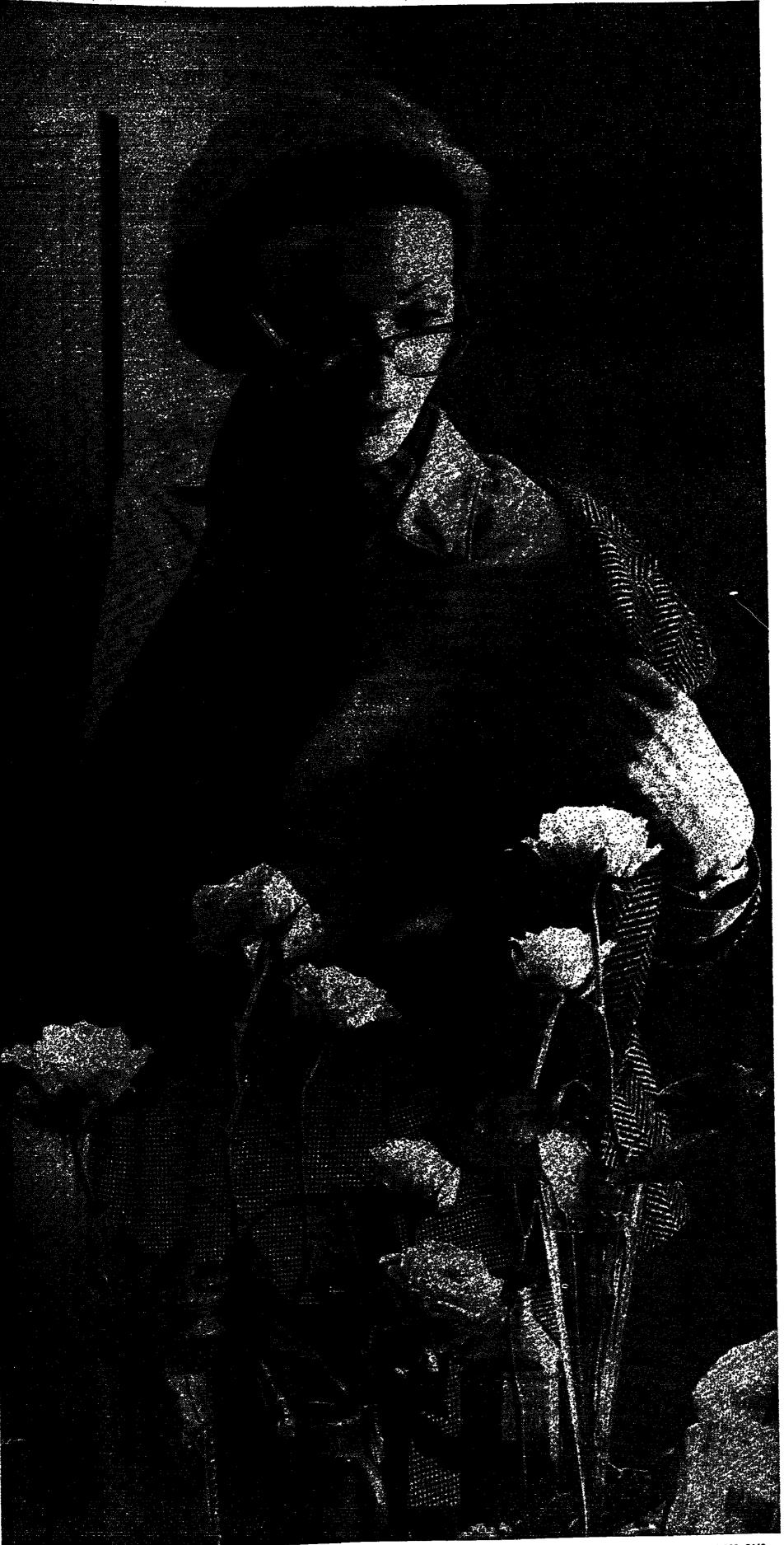


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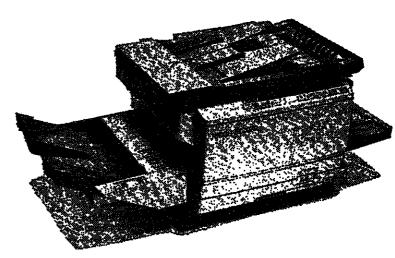
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RICOH UK LTD - MARKETING OPERATIONS DEPARTMENT - 32 STEPHENSON WAY - LONDON NWI 2HD - TEL: 01-388 3200 - FAX: 01-388 5448

# The girl who insisted on the Ricoh copier.



Ricoh may not be a familiar name to you at present. But order a copier or any Ricoh office equipment and one other word will soon also become extremely familiar.

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"Thanks" from the boss for improving the overall efficiency of the company.

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And an extra special "thanks" from everyone for clear, perfect copies from ultra reliable machines.

For over 50 years, Ricoh have been designing office equipment from one simple, enlightened point of view.

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It is this philosophy which has seen Ricoh grow into a company successful in more than 130 countries.

And as a final proof, become market leader in copiers in Japan,\* where it is rumoured, they know a thing or two about business.

\*Nihon Keizai Shimbun (Japan Economic Daily)

RIGON

Bank chief

challenges

criticism of v

City profits

MR ROBIN LEIGH-PEMBERTON

governor of the Bank of England

yesterday mounted a stout defence

of Britain's financial sector, in par-

In a speech to a seminar on the

City of London and industry orga-

nised by the Industrial Society, he responded to criticisms that the

City appeared to be making which-

ess profits and enjoying special

# Spending boom resumes after January setback

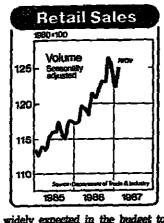
By Janet Bush and Lisa Wood

RETAIL SALES recovered sharply in February from January's weather-depressed levels, providing evi-dence that Britain's consumer spending boom is still intact.

Provisional Department of Trade and Industry figures yesterday showed that sales volumes rose by 2.2 per cent, seasonally adjusted, after falling by the same amount in

DTI officials said the volume of sales remained on an upward trend but were no longer seeing the buoyant growth rate of last summe Consumer spending is not expected to match last year's substantial growth of around 5 per cent, partly as a result of inflation eating into

Nevertheless, spending will remain buoyant, growing at around 4 per cent, according to the Chancellor of the Exchequer's Autumn Statement forecast. Real disposable incomes are still rising quite rapidly as wage settlements remain relatively high and should be given a further boost by income tax cuts



widely expected in the budget to

day.

The DTI officials said that the volume of sales in the three months to February was little changed from that in the previous three months Given that January's activity was particularly depressed and that the previous three-month period inthis showed the durability of the retail boom. Sales in December to February were 8 per cent higher than the same period a year ago.

The February rise in sales was larger than most independent forecasts and perhaps suggests a more buoyant picture than the Confeder-ation of British Industry/Financial Times distributive trades survey published last week. The survey showed that sales had indeed picked up in February but that the recovery had been, if anything, rather disappointing.

The Retail Consortium, which represents the majority of Britain's retailers, said yesterday sales had been helped by the fact that the February weather had been mild compared with the same month last er and school half-term holidays had fallen in that month.

The consortium said all items seem to benefit, with even spring fashions selling well.

The index of retail sales volum (1980 = 100) was set at a provisional 125.0 in February, the same level as in December, compared with a fi-

# Inspection for union-backed college

THE GOVERNMENT is to set up cial position of the trade union and dom at the trade union-backed Rus- traditions of academic freedom

kin College, Oxford. This follows as lengthy controversy, over the position of Mr David bourne, a lecturer there who faced criticism from colleagues and protests from students over an article he wrote for The Times newspaper during the Wapping dispute. A trade union ban against writing for News International titles was then

labour movement at Ruskin, and Mr George Walden, the Higher

Education Minister, expressed concern at some of the views of members of the college during a series of

Consequently, the Government has decided to seek an independent assessment. Dr Albert Sloman, Vice Chancellor of Essex University, has agreed to lead a team of three to carry out an inspection to ascertain which principles apply to academic adopted for ensuring that they are put into practice. They will recom-mend to the Education Secretary, what principles should in future apply and the means for ensuring that

y are practiced. Powers of inspection apply under existing legislation to organisations which receive government grants. In the current academic year, Ruskin is receiving a recurrent grant of just over £570,000 with a further

#### Market makers find jobs

quickly

SCRIMGEOUR Vickers, the Lon--based securities firm owned by Citicorp of New York, mov quickly yesterday to hire market mukers from Midland Montagu, which amounced on Friday that ket making operation.

The firm claimed last night that it had secured the services of eight people, with another two under negotiation. This will bring to around 60 the number of market makers employed by

pects to retain about 10. The remainder are also expected to seek jobs elsewhere.

Scringeours said yesterday that Mr Fred Petiti, the manag-ing director, would return to Citiorp Investment Bank now that the acquisition and integration of Scrimgeours was complete. He will be replaced by Mr John Hewitt, a former analyst of the re-tailing sector, who has been with the group for 21 years.

Mr Hewitt said that Serbugeomes' market making opera-tion was making money but that high acquisition and develop-ment costs meant the overall op-eration had yet to make a profit.

Messel, the stockbroking firm owned by Shearson Lehman Brothers, said yesterday that it was letting three salesmen go. Mr Jacques Gelardin, chairman tion, said the company was "up-grading" its activities. It was also reshaping its market making to concentrate on more profitable

LANDMARK FOR POST 'BIG BANG' STOCK EXCHANGE

# Seaq settles for budget day compromise on late trading

BY TERRY SYLAND

THE LONDON stock market approached its first budget day ses-sion since the birth of the new-style electronic trading system with in-itial enthusiasm, but finally settled for a good old British compromise.

The Seaq (Stock Exchange Automatic Quotations) screens, which theoretically allow trading to con-tinue outside conventional market hours, will stay alive until 7pm tonight, but the market-makers will decide for themselves whether they want to trade

Seag officials approached some, but not all the equity market mak-ers yesterday morning, suggesting that the screens service should be extended today, to allow for a full narket response to Mr Lawson's budget speech, due at 3.30 pm. But traders were unenthusiastic, renembering how erratic busin

the screens would remain active until 7pm, but the mandatory quotation period - when market makers must maintain and support their price quotations - would terminate as usual at 5pm. After that time, market-makers must elect either to trade, in which case their price quotations will be regarded as "firm". and therefore available to all potential customers, or to withdraw from trading in which case their prices

fill be marked in red. This may not satisfy those traders who would prefer to make their decision after 5pm, when the scale of customer interest can be dis-

"In the old days, of course, the jobbers just didn't answer the telephones if they didn't want to deal",

It appeared last night that many

Late yesterday it was agreed that open for business, although they may limit the size of bargains in which they are willing to trade. Activity in the consumer stocks is likely if the Chancellor of the Exchequer is generous with personal tax

> marksimakers will be allowed to suspend trading if they wish, without offending against the Bank's rule that market-makers must maintain continuous two-way markets if they want to stay on the ap-

> In the past, bond dealers have ceased trading as soon as the Chancellor stood up in the House of Commons. Some trading may be seen today, "but it won't be aggressive. With budgets, you always need to read the line print, said a leading

given to the exchange's market sur-

veillance section and the portfolios

In new market practice guide-lines issued to share traders, the ex-

change said that no allowance

would be made for portfolios trades

in which a broker did not take the

case of so-called "deceased portfol-

ios," where there was no require

ment to execute the bargains at a

res on to its own book, or in the

In the gilt-edged market, the Bank of England made clear that

privileges, and said he was worried that the profits being made in some markets are inadequate to Pricing was often too competitive and profit margins unrealistically small on interest and foreign exchange instruments and on conven-tional banking, he said. The resources of many fine

ediaries needed to be strong thened to provide a cashion of it-quidity and capital to meet unex-pected calls.

berton made an butspoken criticism of appartmistic curposate preda-tors which launched falseover hids and of the City institutions which promoted them. Yesterday, how-

He challenged the suspection that the threat of takeovers put corporete managers under press concentrale on short-term profits at

the expense of long-term objectives. A greater danger lies in a kind of long termism on the part of share holders that might be better decribed as passivity. Inactivity, or may pess for the opposite of short

The fact remains that there are ies that shareholders are repared to back unreservedly and without any prospects of inshediate return," Mr Leigh-Pemberton said.

To ask for protection against the finest of unwelcome takeovers is to dany the mambers of the company the essential rights attaching to their shares: the right to vote, and the right to sell."

NOTICE TO HOLDERS OF

AJMOMOTO CO., INC.

(Afinemeta Kabushiki Kabba) U.S. \$46,000,000 7% per cant. Convertible Bands 1995 prvertible Bands 1995 (the "1995 Bands")

U.S. \$40,000,000 5% per cent. Convertible Bonds 1996 (the "1996 Bonds")

# Share reporting rules relaxed

ts regulations over the reporting of share bargains in a move designed to make it easier for many member

Buying or selling large baskets of stock, known as portfolio trading, is becoming an increasingly impor-tant part of the London share markets. Up to £500m of UK shares is stimated to change hands weekly Stock exchange rules have previ-

ously called for the reporting of

grade of shares - so-called alpha stocks - within five minutes of the trade taking place. Trades are nor-mally then displayed on the stock

Member firms had complained that for large partiolics of shares, such reporting was physically im-possible and often made it difficult to execute large trades without adraely affecting share prices.

The stock exchange's new rules allow for delays in reporting such

### Lewis's stores switch to part-time workers

BY DAYID BRINDLE

chain, part of the Sears group, plans to shed 600 full-time jobs and create instead about 1,000 part-time

of the 10 stores which trade mainly in the north of England, is said by the group to be part of a general trend in retailing towards part-time

that the stores were over-station early in the morning, when lew cus

nesday and Friday, from 10 am to 8 mployment. pm on Thursday, and from 9.20 am Sears said yesterday that Lewis's to 6 pm on Saturday.

will change neither hotel nor newspaper. That's why they are particularly happy to find complimentary copies of the Financial Times at the following hotels in Lyon: Frantel, Grand Hôtel Concorde, des Artistes, Le Roosevelt, Mercure.

**Some business travellers** 

As a result, working hours were being amended to fit revised opening hours. From May 5, the stores would trade from 10 am to 5.30 pm on Monday, Tuesday, Wed-

U.S. \$128,890,000 3 per cont. Convertible Bonds 1999 (the \*1999 Honds\*) nt to Clause 7(B) and (C) of the Trust

appears as a matter of record only



LETINVEST PLC

a subsidiary of

London & Edinburgh Trust PLC

Private Placing

£35 million nominal of

stepped interest first mortgage debenture stock 2012

and

£8 million nominal of cumulative participating preferred shares

We designed the capital structure; underwrote the placing and acted as financial adviser to the company.

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March, 1987.

Building in quantity doesn't stop us building in quality.

They say success changes people, but it hasn't

changed us at Charles Church. However fast business has grown, it's always been our insistence on the highest standards that has

led the way. It shows in the big things. Like the handcut timber roof on larger houses, and solid internal

partition walls, upstairs and down. It shows in the all-important points of detail, like the choice of cast iron baths and ceramic, not plastic,

shower trays.

It shows in the pride that Charles Church people and nearly a thousand work for us these days take in the job.

And these days, the job is to build not dozens but

hundreds of houses, in over thirty different styles. Right now, Charles Church are at work on twenty sites throughout Buckinghamshire, Oxfordshire, Berkshire, Surrey, Sussex and Hampshire, with further developments planned in Kent, Bedfordshire and

For three years running, we've been voted the top builders in the South of England, and in one of

those years, the top builders nationally. Because from the beginning, Charles Church have built even more than quality homes of

We've built a reputation we guard with our lives.

# CHARLES CHURCH

**Quality Homes of Character** 

The second secon

# Gearing up for a competitive future

WHEN ROLLS-ROYCE, the national Acro Engines V-2500, is putting much emphasis on privatisation, reports its account for 1986 on Thursday, they are expected to reveal considerable buoyancy, with pre-day profits up on the 1985 result of ESIM, and significant improvements in both turnover (£1.6m hand (which shood at £3.1bn last Cotober 6).

Factors behind this success have been the continued strength of civil engine busi-

rofits

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2012 - 1 Aug. 2 Mary Transfer a Barrier To-考出~~"

S. Commercial Street, Street,

costs and risks while increasing access to markets. But there will still be some titanic struggles for individual con-

struggles for individual contracts.

The company is well poised to take advantage of market growth. Over the 16 years since the bankgruptcy and Government rescue of 1971, it has put the bankgruptcy and Government rescue of 1971, it has put the UK Hawk trainer (now also being built for the US and civil engines which it Goshawk trainer aircraft probelieves can hold their own technologically against anything the two US giants, General Harrier aircraft for both the Electric and Pratt & Whitney can offer.

Electric and Pratt and Whitney, with about 13 per cent of the world market (by value) for "big-thrust" jet engines.

This is largely because the UK company failed in the 1970s to get its RB-211 engine on to the new generation of Airbuses order books worth £582m for the RB-199 engine for the Tor-

then emerging the A-300 and the RB-199 engine for the Tor-A-310, with the result that a nado; £444m for the Pegasus market for several hundred air-iump let engine for Harriers;

Factors behind this success have been the continued strength of civil engine business, stemming from the requipment tide now flewing strengty among the world's air lines, together with a continued high level of military business and a steady growth in industrials and marine activities.

The future in all those areas special as independent of future world-wide military business up to the end of this century is £105bn, while its estimate of future civil business over the same period is about £70hn.

Rolls-Royce recognises that competition will be fierce. To some extent this can be offset by international collaboration, which reduces development costs and risks while increasing access to markets. But there

of the European Turbo-Union consortium for the collaborative Panavia Tornado combat air-

can offer.

But although Rolls-Royce has done well in the market for large civil engines, it is still dent on levels of defence third in the list behind General expenditure in the free world.

market for several hundred air-liners has been lost to the US and £68m for the Adour for companies. This is now being partially trainer programmes, rectified with the new Inter-

Sikorsky Black Hawk helicopter.
This power-plant follows
Rolls-Boyce's policy of developing a basic new "core" (the hot part of an engine where fuel is mixed with compressed air and burned to provide the basic sing our new to provide the basic power), which can be adapted to produce a wide variety of other engines, giving the company a high degree of development flexibility.

Signs of an upturn in demand for Rolls-Royce's series 535 turbe-fam engine.

Signs of an upturn in demand for Rolls-Royce's series 535 turbe-fam engine.

Signs of an upturn in demand for Rolls-Royce's series 535 turbe-fam engine.

Signs of an upturn in demand for Rolls-Royce's series 535 turbe-fam engine.

Jumbo jets, accounting for some 50 per cent by value of the overall world engine market; medium-haul sirliners, such as Boeing 757 twin-engined jets, accounting for 34 per cent; short-to-medium haul sirliners, such as Fokker 100s or Boeing 759 twin-engined jets, accounting for 34 per cent; short-to-medium haul sirliners, such as Fokker 100s or Boeing 759 twin-engined jets, accounting for 34 per cent; short-to-medium haul sirliners, such as Fokker 100s or Boeing 759 twin-engined jets, accounting for 34 per cent; short-to-medium haul sirliners, such as Fokker 100s or Boeing 759 twin-engined jets, accounting for 34 per cent; short-to-medium haul sirliners, such as Fokker 100s or Boeing 759 twin-engined jets, accounting for 34 per cent; stake (as does Pratt & Whitney of the US, with engine companies in Japan, development of the International pany, five-nation International tion on the rear fuselage or an pany, five-nation International pany, five-national pany, five-nation International pany, five-nation International pany, five-nation International pany, five-nation Intern accounting for 34 per cent; short-to-medium haul airliners, such as Fokker 100s or Boeing 737s, accounting for 10 per cent; larger comporate jets, such as the US Gulfstream IV.

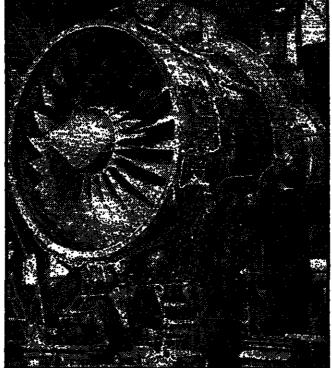
3 per cent; and large commuter to Airbus, now under development, now on offer for the next-generation. Airbus As 340 long-range jets.

existing turbo-san or turbopropeller engines. In the widebodied, medium-to-long range
turbo-san (jet) engine market
Rolls is represented by the
RB-211-524 series of powerplants, now being developed
through the D4D version up to
58,000 ibs thrust, but with plans
to tike it further to 60,000 ibs
or eve n64,000 ibs if required.
In the short-to-medium hand
aircraft field, the company has
its smaller version of the
RB-211, the series 535, in the
RB-212, the century.

RB-213, the century.

But already major new conwith such other types of its
ony, like the "AE consortium, but also
onythic may terest obung
the the IAE consortium, on the subther of the 20 on yet another new airliner. Outstanding orders for efficiency. the 535 version of the RB-211

are worth over £100m.



Signs of an upturn in demand for Rolls-Royce's series 535

cent.

The company is well represent the core of the company's civil business through to the end of existing turbo-san or turbo-the century.

The ways in which this can be are worth over £100m. done vary considerably, and as All of these civil engines a result the engines show con-

high degree of development flexibility.

Civil business, however, will also remain a major part of the company's business.

Rolls-Royce divides this business for the longer-term serious everal sectors—wide-bodied medium-to-long range airliners such as Boeing 747

Jumbo jets, but the company has size and methods of installation. They also have various mames. The much-publicised "prop-fam" of General Electric is an ultra-high by-pass engine, which with its massive propeller blades like a ship's screw participation in the seven-company, five-nation International part of the company has size and methods of installation. They also have various mames. The much-publicised "prop-fam" of General Electric is an ultra-high by-pass engine, which with its massive propeller blades like a ship's screw part in the development of expensive new "prop-fam" of General Electric is an ultra-high by-pass engine, which with its massive propeller blades like a ship's screw part of the development of expensive new "prop-fam" of General Electric is an ultra-high by-pass engine, which with its massive propeller blades like a ship's screw part of the development of expensive new "prop-fam" of General Electric is an ultra-high by-pass engine, which with its massive propeller blades like a ship's screw part of the development of expensive new "prop-fam" of General Electric is an ultra-high by-pass engine, which with its massive propeller blades like a ship's screw part of the company is propertied.

the projected new Airbus A-340. Because this can be mounted under the wings of an airliner, it is thought many air-

3 per cent; and large commuter now on offer for the next-genera.

Rolls-Royce is heavily intended in research and development of the next-general control of the next-gene ment of this new breed of engines for the mid to late 1990s, not only through its share of the Superfan through

Michael Donne



#### 1986 AUDITED RESULTS BSR INTERNATIONAL PLC AND SUBSIDIARY COMPANIES

HIGHLIGHTS FROM THE AUDITED FINANCIAL STATEMENTS:

	1986 £million	1985 £million
Turnover	346.0	261.8
Operating profit Net interest payable	15.0 (4.5)	(0.1) (5.6)
Profit after interest Share of profit in related companies	10.5 1.2	(5.7) (1.7)
Profit before taxation Taxation	11.7 (1.2)	(7.4) (0.4)
Profit after taxation Minority Interests	10.5	(7.8) 1.4
Earnings Extraordinary items	10.5 (0.3)	(6.4) (3.0)
Profit attributable to ordinary shareholders Dividends paid and proposed	10.2 (4.5)	(9.4) (4.0)
Retained profit	5.7	(13.4)
Earnings per 10p share Dividends paid and proposed per 10p share	6.32p 2.7p	(3.90)p 2.4p
Note: The above audited financial information does not represent ful	I financial statements	within the meening

of section 239 of the Companies Act, 1985. An unqualified auditors' report will be given on the 1986 financial

#### HIGHLIGHTS FROM THE CHAIRMAN'S STATEMENT:

"Nineteen eighty six saw a substantial improvement in the electronics industry world-wide and our company benefited from the upturn. In my interim statement in August, 1986, I was pleased to announce a return to profitability. The remainder of 1986 has seen the forecast increased demand for the Group's expanded product range and orders already received suggest this trend will continue throughout

During 1986 considerable personal energy and effort was expended by your Directors and executives to conclude the rationalisation programme started in 1984, in order to enable the Group to further develop its mainstream business and to pursue other areas of opportunity."

> W.R.A. WYLLIE CHAIRMAN

#### **BSR INTERNATIONAL PLC**

Head Office: 2/F Kaiser Estate, Phase II, 51 Man Yue Street, Hunghom, Kowloon, Hong Kong. Registered Office: High Street, Wolfaston, Stourbridge,



#### The new Granada 2-9. Greater flexibility pays dividends in the city.

Few things in life are as annoying as City traffic. You may be able to cope but is your car always up to it? What you need is a car that pulls away really smoothly at low engine speeds; a car, that is, with plenty of torque.

That's the greatest asset of the new Granada

V6's, the 29 and the 24. Both these refined engines develop lots of torque at low speeds.

This makes them very flexible.

Not only will you find them completely unflustered in stop-go traffic, but also they accelerate more smoothly away from corners without changing down and really pour on the power

If you'd like some figures that prove the point, we can tell you that fourth gear acceleration from 30 mph to 50 mph is 1.4 seconds faster with the new 2.9 than it was with the 2.8° Not a lot on

paper, but quite significant on the road.

Top speeds are impressive too - 129 mph for the 2.9 and 121 mph for the 2.4.\*

Apart from that, you'll be pleased to hear the 1987 Granadas are hardly changed. After all, the previous model did win 18 major international awards including the most prestigious of all; 'Car of

They're still the same stunning shape, they're still exceptionally spacious inside, and of course

anti-lock brakes are still standard equipment in every model in the range.

Also, you can still buy 1.8 and 2.0 litre models. And there's a 2.9 with four wheel drive.

Whichever you choose, we're sure it'll be quite

a success in the City. \*Ford computed figs. for optional manual 5-speed Ghia.

The new Granada 2.9 and 2.4.





At SAS, we've fought long and hard to give business travellers better service and greater comfort.

We're not alone.

One competitor has raised its standards

dramatically in the past few years.
At this point, British Airways should stand up and take a bow.

They might find it more comfortable than sitting down.

When we set out to improve our service, we knew exactly where to start.

Your knees were staring us in the face. After all, they're the fiercest critics of airline comfort. The first to complain if your style is cramped.

We duly expanded our leg-room – and your knee-room. Without expanding the price. You still pay the normal economy fare.

BA gives you less knee-room. Without

reducing the price.

As a competitor, they're closing in.

Trouble is, it feels as though their seats are, too.



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#### **UK NEWS**

pared with a £24.4m loss the previ-

The accounts show net tangible

an operating loss of at least £186m in 1986 compared with £39.5m the

The hope is, however, that the

system which would be the most

advanced country risk analysis sys-

tem available to any export credit agency would enable the depart-

ment to monitor more precisely

risks it is running across its whole

It would show, for example,

whether exports insured are too

heavily or too little weighted to-

wards the higher risk countries.

This might allow the department to

become more flexible in writing new business instead of declaring a

particular country "off-limits" as

soon as economic or political prob-

This, in turn, might go some way towards satisfying the Treesury re-

quirement that ECGD should do

more to keep its risk of losses under

control and maximise its earnings, while still permitting it to develop

business in the riskier parts of the

ECGD not only to monitor its expo-

sure, but also to assess the impact

on its portfolio of major develop-

ments in the world economy. For

example, it would allow ECGD to

assess the likely impact on its busi-

ness of sudden swings in the inter-

The new system would allow

world.

surance portfolio.

# Rover shareholder funds 'wiped out' by Leyland

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

THE COST of further rationalisation and disposel of Leyland Trucks, part of the state-owned Rover Group, will be about £300m. Rover shareholders are told in a cir-

Disposal of Leyland bus will cost another £55m. These costs, to be taken as extraordinary charges in the 1986 accounts, and further substantial losses last year, will wipe out Rover's current shareholders'

Meanwhile, net external borrow-ings had risen to about Clbn by the beginning of 1987. However, the UK Government is expected to inject a further £580m of new cash in exchange for equity before April 1, when the extraordinary charges will be incurred, thus saving Rover from technical bankruptcy.

Davy to back

college project

DAVY CORPORATION, the engi-

neering and construction group, is set to become the second business

backer of the Government's scheme

for found 20 semi-independent city

The group has agreed to provide "substantial support" for the City Tech college on Teesside in a move

that is likely to be welcomed by the

Government as an indication of fur-

ther business support for the

The Department of Education

and Science said yesterday that the

Government hoped to announce

two or three specific schemes by

Easter to follow the first scheme, at

Solihull in the West Midlands, being supported by Hanson Trust and Lucas Industries.

One now seems certain to involve

Davy, through its north-eastern

subsidiary company, Davy McKee in Stockton-on-Tees. Davy McKee

would not put specific figures on its

contribution, but said its value

Mr Roger Kingdon, Davy McKee

would run into six figures

technology

By Philip Bassett and Michael Dixon

technology colleges.

Rover will hold two extraordinary over of £575m (£522m in 1984) and meetings on March 27 for shareholders to approve an increase in The 1965 net loss was £51.3m com capitel to pave the way for the Government to build its stake in the group from 99.7 per cent to 99.8 per received a £36.3m tax credit. cent, and to approve the disposal of Leyland Trucks and Freight Rover, the Sherpa van subsidiary, to a joint company controlled by Daf Trucks of the Netherlands.

Also, the group's borrowing limit, currently 2% times the adjusted capital and reserves, it to be re-Rover for the first time gives de-

tails of unaudited management accounts of Leyland Trucks, Freight Rover and the related busine which will become part of the new

THE EXPORT Credits Guarantee

Department (ECGD) is considering

a new computerised system for ana-

lysing country risk that would give

it greater flexibility in supporting British exports while still retaining

an appropriate balance of risks in

The system is to be presented to its board on March 26 amid expec-

tations that the go-ahead will be given for further development.

Research on the system started

after the so-called Chapman Report

of late 1985 which looked at ways in

which the ECGD could become

more responsive to the needs of in-

Its unveiling before the board next Wednesday comes when the ECGD has again been criticised by

exporters for the slowness of its ef-

forts to improve its service. A sur-

vey of 250 companies conducted for

the specialist Export Times news-

paper this week reports that only 3.5 per cent of respondents feel they

have deteriorated and 24.6 per cent

ECGD officials say the new coun-

say they are unchanged.

dustry.

chairman, said: Davy sees this as try risk system is still at an experi-an opportunity to assist in the furmental stage and it may take as

ther development of young people long as 2% years before its benefits with an interest in technology."

Rover had £974m of bank debts last year on which it was paying normal commercial rates of interest The accounts show a 1985 turn-

New system to help

assess export risks

BY PETER MONTAGNON, WORLD TRADE EDITOR

#### **Enterprise** beats the pocket money trap loss before tax of £49.6m (£60m).

By Christopher Parkes OFFICIAL fostering of the entrepreneurial spirit and discourage-ment of reliance on handouts have had a dramatic impact on incomes in a little-studied seg-ment of British society.

assets of Leyland Trucks, Freight Rover and associated businesses to be £152.8m. The circular encou-Parental contributions to juverate income fell 1 per cent last year to El.16p, according to the Wall's Ice Cream pocket money monitor, published yesterday. rages speculation about the total Rover losses last year. Sharehold-ers funds at the end of 1985 are shown as £586m and Rover says the extraordinary sharges were "approaching £400m" which suggests The squeeze was felt most

among iollipop-and-comic con-sumers aged between five and seven. Their pocket money was slashed 12p to 42p a week. Only the 14 to 16-year-olds showed any real gain, and even they had to make do with only a

they had to make do with only a 7 per cent rise – in line with national income figures.

However, this group knuckled down with special vigour, and earned income from paper rounds. Saturday jobs and the like rose dramatically.

A 66 per cent increase in their earnings brought the teenagers' total average incomes up to £3.95. Average incomes for all child-ren caught in the pocket money trap rose 13 per cent to £2.20. This figure was augmented by "supplementary benefits" in the form of gifts from friends and

The Wall's monitor, first published in 1974, also suggests that the rise of feminism has had its effect. Girls' total income, which was 16p lower than boys' last year, is now about the same.

Scottish parents are shown to he the most generous. They in-creased pocket money handouts 12 per cent to £1.44. Scottish children now receive at least 13p more than youngsters in othe

regions.
London children slipped to near the bottom of the league with a measity £1.03, just ahead of those in Wales and the South-West.

While in Hamburg

enjoy your complimentary copy of the Financial Times as a guest of these Hotels:

Crest Hotel, Kapstadtring Atlantic Hotel, An der Alster Ramada, Große Bleichen

This autouncement is issued in compliance with the requirements of the Council of The Stock Exchange. It does not constitute an offer or invitation to any person to subscribe for or purchase any of the Units.

# **Group One Limited**

under the Companies Act, 1981 of Bermuda es an open-ended investment company with limited liability. registration number EC-12286)

Introduction of 4,999,500 Units each representing 10,000 Limited Voting Shares of one U.S. cent each of Group One Limited

The Company has been established to provide investors with a convenient way to participate in investment vehicles which are or are to be organised under the laws of New York State and sponsored by Merrill Lynch, Pierce, Fenner & Smith Incorporated, Shearson Lehman Brothers Inc., Prudential-Bache Securities Inc., Dean Winer Reynolds Inc. and PaineWebber Incorporated.

589 Units of the U.S. Treasury Notes Class Series 4 are currently outstanding, and 2398 Units of the U.S. GNMA Class Series IC were allowed and issued on 13th March, 1987 at a price per Unit of U.S.\$1,091.92.

Application has been made to the Council of The Stock Exchange for permission for Units representing the limited voting shares of one U.S. cent each to be admitted to the Official List. It is expected that dealings in the Units will commence on 23rd March, 1987. Particulars of the Company and of Units offered by it are available in the statistical services of Extel Financial Limited. Copies of such particulars are available for collection from the Company Announcements Office of The Stock Exchange up to and including 19th March, 1987 or may be obtained during business hours on every weekday (Saturday excepted) up to and including 31st March, 1987 from:

> Merrill Lynch International & Co., c/o Merrill Lynch Europe Limited, 27-28, Finsbury Square, London EC2A 1AO

Shearson Lehman Brothers International Inc.,

Peninsular House, 36, Monument Street, London EC3R 8LJ

Bache Securities (U.K.) Inc., De La Rue House, 5, Burlington Gardens, London W1X 1LE

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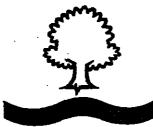
17th March, 1987



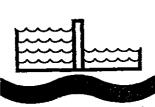
WATER RESOURCES

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CONSERVATION



FLOOD PROTECTION



**FISHERIES** 



**SEWAGE** 



RIVER MANAGEMENT



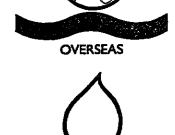
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WATER QUALITY SERVICES



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LAND MANAGEMENT



SEWAGE PLANT MAINTENANCE

1986 was a busy year for Thames Water. In addition to supplying 850 million gallons of drinking water every day, we were also responsible for land drainage, sewage treatment, flood protection and pollution control too.

On the environmental front our efforts have already seen the return of the Salmon to the River Thames. But it wasn't just maintaining and

improving existing services that took up our time. We were also building for the future, by planning and developing new businesses and services.

We have taken over responsibility for the mighty Thames Barrier and London's main passenger piers. In a number of areas we're also introducing an external plumbing service, giving help and advice on water quality problems and maintaining privately-owned sewage treatment

installations. We've recently set up, as a joint business venture, Thamesgro Land Management to provide public and private developers with a land reclamation and landscaping service.

In addition Thames Water International and Thames Water Services Inc USA have been formed to extend our long-standing involvement overseas.

Our acknowledged expertise has led, among **Thames** Water

other things, to our being appointed technical advisers to the Indian Government in their programme to clean up the River Ganges. Our expertise in river basin management is envied the world over. But you won't find us resting on our laurels in the coming months. All the signs are that 1987 will be even busier.

Thames Water, Nugent House, Vastern Road, Reading RG1 8DB.



#### Norsk Hydro a.s

£30,000,000 12 per cent. Notes 1990

NOTICE OF EARLY REDEMPTION

NOTICE IS HEREBY GIVEN to the holders of the Notes (the "Noteholders") that, in accordance with Terms and Conditions endorsed on the Notes (the "Conditions") and pursuant to the provisions of the Second Supplemental Trust Deed dated 1st February, 1963 between Norsk Second Supplemental Trust Deed dated 1st February, 1963 between Norsk Second Supplemental Trust Deed dated 1st February, 1963 between Norsk Hydro a.s (the "Company") and The Law Debenture Corporation p.l.c. constituting the Notes, the Company will on 1st May, 1967 (the "sedemption date") redeem all of the Notes then constanding at 101½ per "sedemption date") redeem all of the Notes then constanding at 101½ per cease. of their principal amount together with interest accrued to such date (being an aggregate of £1,045.00 for each Note of £1,000). Interest on the Notes will cease to accrued interest will be made on and after the principal, premium and accrued interest will be made on and after the principal premium and coupons No. 5 due on 1st February, 1968 and all surrender of Notes and Coupons No. 5 due on 1st February, 1968 and all surrender of Notes and Coupons not the specified office of any of the Paying Agents listed below. Failure to surrender any such subsequent Coupons(s) will result in the amount of such Coupon(s) being deducted Coupons and premium after the capitation of 10 years from the sealed principal and premium after the capitation of 10 years from the redemption date.

The attention of Noteholders is drawn to the Conditions and in particular to Conditions 2, 3 and 4 which contain further details regarding redemption.

Hambros Bank Limited,

43 Boulevard Royal, P.O. Box 1108,

n Genranty Treat Company of New York, Avenue des Arts 35, B-1040 Brussels.

# Ferranti pulls out of bidding for arms group

FERRANTI, the electronics group, has unexpectedly dropped out of two simplifies the process of selecting the running to buy Royal Ordnance ing the eventual buyer, which is should be completed by the end of this mouth.

AN EXPERIMENTAL EXAMINATION Scheme is expected to be introducing the London area by the Triport Department this summer. The Department, which is should be completed by the end of this mouth.

The Department, which is sponsible for taxi services in a sponsible for taxi services in the subject of "firm" rival accompleted by the end of the field to the port Department this summer.

The Department this summer.

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The Department this summer.

The Department this summer truly and suburban London, has the subject of "firm" rival accompleted by the end of the field to the introduction of the field to the introduction of the field to the summer.

The Department this summer.

The Department this summer.

The Department this summer trule and suburban London, has the field to the field t misition bids by British Aerospace (BAe) and GKN, the Ministry of Deience (MoD) confirmed yesterday.

Ferranti bowed out of the compe tition to buy RO amid some confu-sion last Friday, the MoD's deadline for bids. The Ministry first confirmed that the electronics company had gone through the final round of contention for the munitions business, and then later ruled

Ferranti did not follow BAe and GKN in bidding for the whole of RO, as the Government had requested. Instead, it proposed an alternative treatment of the planned privatisation, with the MoD selling part, but not all, of RO

Ferranti said yesterday that in the event that the planned single sale of RO fell through, it would like the opportunity to hid for the electronic and high technology parts of RO, such as those making electronic finess and rocket propulsion motors. tors. "But at the price anticipated as necessary to achieve a successful purchase of the whole company, it wasn't right for Ferranti", a compa-

RO's last published accounts state its total net asset worth at the end of 1985 as £216m, although with a reduction in borrowing last year RO officials claim that the value of unencumbered assets rose by the

#### London studies share-a-cab scheme

By Andrew Taylor

AN EXPERIMENTAL taxi sharing scheme is expected to be introduced The Department, which is responsible for taxi services in central and suburban London, has established a steering committee to discuss ways of introducing sharing

sengers and to encourage wider use As a first step, the department is likely to introduce a separate taxi rank at Heathrow airport for passengers going to predetermined tra-vel zones in central London and wanting to share a cab.

schemes to reduce the cost to pas

The new zones would mostly service the main hotel areas. Passengers would get a door-to-door ser-vice but would pay a set fee for each travel zone. This is likely to be low-er than the present levels but would permit the driver to earn a higher combined fee than if the taxi was

The department is also consider

# Lucas decision to leave CBI has worrying implications

British Industry, is not, in itself, a the growing shortage of skilled by local chambers of commerce.

more effectively represent itself to government than through the CBL One of the CBI's main marketing Hawkins is a former regional direction points is its access to ministers and tor of the CBI in the West Midlands.

Manufacturing industry was the bedrock on which the CBI was founded in the mid 1960s. The contraction of the British manufacturing base since the late 1970s forced the organisation into looking fur-ther afield for members, notably to the financial sector, retailing and the professions

It had considerable success, but inevitably this has made more diffuse the areas on which it can lobby. The decision to appoint a new could be bette director general, Mr John Banham, from outside the manufacturing and Traders.

widening arena.
Lucas believed that the CBI was increasingly unable to take to gov-

bitter blow to the employers group.

The CBI has survived the loss of uscy of British industry's research

stantial particularly as Lancas has made clear that it believes it can which we cannot make, said Dr Kevin Hawkins, Lucas director of corporate affairs, yesterday. Dr Hawkins is a former regional direc-

The Lucas position highlights two problems for manufacturers. Management has had to put a big effort into survival in the past few years, leaving it little time to devote to the committee led structure of the CBL Increasingly, it felt that organisa-tion was failing to represent its

The time factor was the explanation given by the Rover Group late last year for its decision to leave the CBI, plus the fact that it thought it could be better represented through the Society of Motor Manufacturers

sector, is viewed by some as evidence of the need to appeal to this widening arena.

Companies in the engineering sector frequently belong to several representative bodies. This would include their trade association (Lucas belongs to the Society for Brit-

THE DECISION by Lucas, the electroment those issues on which it ish Aerospace Companies as well as trical and aerospace engineering thinks action is vital for the future the SMMT), and the Engineering thinks action is vital for the future the SMMT), and the Engineering thinks action is vital for the future.

The EEF has lost members at a more dramatic rate than the CBL other big engineering groups, like and development effort, and the and cannot hope to make up some other big engineering groups, like and development emort, and the number from other sectors. Rolls-Royce, the Dowly group and Beboock international, when manufacturing industry.

The results of the number from other sectors, and cannot note to make up some of the number from other sectors. Historically, members belong to the manufacturing industry.

The results of the number from other sectors. Historically, members belong to the manufacturing industry. proach oy government towards the first than today.

But the implications for the first thre direction of the CBI are substituted in the control of the control

Dr James McFariane, director general, has been active in rallying support from members for an H dustrial strategy. In this, he can af-ford to be more open than his coun-terpart at the CBI which is lobbying on behalf of a more diverse me

The multitude of trade associations in the engineering industry have also been forming themselves into a more cohesive group, notably through the Council of Mechanical and Metal Trade Associations. With about 20 members, it plans to become a more effective lobbying group both at Westminister and in Brussels, where many of the decisions affecting the industry are

These developments could lead to more desertions from the CRI among the old guard membership New CBI Chief, Page 14

# The MoD is determined to press ahead with its effort to sell RO as a single entity. It may not relish the shirt for the business will expected the fact that first Trafalgar House and then Ferranti have dropped out of the running, but Ministry officials Nevertheless, it is not expected ing the introduction of shared taxis for suburban commuters travelling the introduction of shared taxis for suburban commuters travelling the introduction of shared taxis for suburban commuters travelling into central London who might be int this month?

A little application is all it will take. Because in a few weeks' time, you can apply for shares in Cambridge Instruments, one of the leading high technology and precision instruments groups, simply

by putting pen to paper. But first, you'll want to read up on your subject. Founded over 100 years ago, Cambridge Instruments now

has manufacturing centres in Europe, the US and the UK, with sales and service units spread over eight countries. It designs, develops, manufactures and markets highly

sophisticated precision instruments renowned for their reliability and quality.

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# Lloyd's still to discuss changes to council

LLOYD's, the London insurance which in January published 70 recommendations for improvements in regulatory arrangements at Lloyd's. That it wants to appoint two leading British industrialists and a charcement recommendation that it tered accountant as new "nominated members" of its ruling council.

Britoil and Mr Brian Pomeroy, a underwriters.

the Government appointed inquiry prove the choice of any candidates team, led by Sir Patrick Neill, for the new posts.

should appoint an extra four ouisiders as nominated members. This A newspaper has named the would double the number of nominated members and end the traditive men as Sir Maurice Hodgson, nated members and end the traditional domination of the council by professional Lloyd's brokers and Reited and Market and

Lloyd's said yesterday that the council had not yet been asked at Mr Pomeroy was a member of its regular monthly meetings to ap-

NOTICE TO HOLDERS OF

Pursuant to Cience 5(B) and (C) of the Trust Deed dated 12th March, 1985 under which the above Bonds were issued, notice is hereby given as follows:

given as follows:

1. On February 26, 1987, the Board of
Directors of the Company resolved to make a
free distribution of shares of its Common
Stock to shareholders of record as of March
31, 1987, in Japan, at the rain of 1 new share
for each 10 sharehold.

2. Accordingly, the conversion price of Bonds will be adjusted effective imme-

NOTICE OF INTEREST RATE To the Holders of derectional Bank for

Reconstruction and Development

In accordance with the provisions of the Notes, notice is hereby given that the above Notes will bear interest for the period from March 15, 1987 to and including June 14, 1987 at a rate per annum of 0.212185% payable on June of each \$10,000 principal amour as and \$3,968,90 in respect of eac MORGAN GUARANTY TRUST COMPANY

Dated: March 17, 1987

#### NOTICE TO THE HOLDERS OF MITSUBISHI ESTATE COMPANY, LIMITED

Toled: 17th March, 198

NOTICE TO THE HOLDERS OF The Sumitomo Trust and Banking Company, Limited

21/96 Convertible Bonds Due 2001 (the "Bonds")

Directors of the Bank resolved to make

of 0.05 new share for each share held. the Bank will be adjusted effective a of 1st April, 1987, Japan time. Th

Find out how you can
increase your stake when you've seen the result.
you've seen the result.

March an price of 5	d you can Op. Right t	new RBC i buy 20% n ip until sur ih prices m	unit trusts t nore units et noer. ay rise.	eiore 21 the laund	# in
Please soud:	pe informatio	n shoot RBC S	ielect North Am	ericun/	<b>.</b>
RBC Salect I	eternational.	And details of	the very speciel	Isanch oliks	

and send it to Barry Thorp, RBC

RBC TRUST MANAGERS LIMITED

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Page 14

THE STATE OF

Selection &

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oney Management didn't underestimate it. They named Sun Life's Unit
Trust company 'Best New Fund Management
Group of the Year.' So did The Sunday Telegraph, whose accolade was 'New Unit Trust
Group of 1986.' And The Observer, who
Group of Small Group of the Year.'
named us 'Small Group of the Year.'

named us Small Group of the Teal.

The market didn't underestimate it either.

From January 1986 to January 1987, unit trust funds under management grew by £180 million from £21 million to £201 million.

Sun Life has combined the power and skill to win this financial hat trick with a performance versatile enough to stay the distance. For example, we're also celebrating the record performance of our unit-linked life Managed Fund that grew by an impressive 398% over its first 10 years to rank 2nd out of 32 funds.\*

its first 10 years to rank 2nd out of 32 tunus. These achievements were no flash in the pan or beginner's luck.

They are the result of Sun Life's brand of energy. One that combines the strong business one of the strong business one of the strong business one of the strong business of the strong

sense, nerve and stamina of an investment house, backed by 175 years of experience, and the shrewd observation and timing of an investment management team like SLIMS (Sun Life Investment Management Services).

Just a few good reasons why our skills shouldn't be overlooked by anyone interested in performance and expertise.

if you'd like to meet some energetic people, ring Tony Setchell on our factline, 01-606 7788.

\*Source: Managed Funds quoted in FT. 11/2/77 and still offered on 11/2/87.



**BRINGING INVESTMENT TO LIFE** 

# **UK NEWS**

Alan Pike looks at statistics in the law and order debate

# Crime figures steal political stage

CRIME RATES up. Detection rates the 1980s. down. Only 18 per cent of reported Very ma offences in London cleared up last tively minor offences, are never re-

These crude facts extracted from crime figures announced by the taken as a comprehensive statisti-Home Office and Metropolitan Po- cal snapshot of crime in Britain.

crime is not quite as great as the A 16 per cent clear-up rate in London - dropping to a negligible 6 per cent for offences such as their of property from cars and picking pockets - might make the public wonder whether the £3bn a year invested in police services in England and Wales is money well spent. But crime statistics, like so many

others, are open to a variety of inns, and overall averages Reported crime in England and Wales rose ? per cent to a record offences last year, after a

Very many crimes, mostly relaported to the police. The national crime figures cannot, therefore, be lice yesterday will intensify politi- There are grounds for believing cal debate on the law and order is that the public is more inclined to sue in the run up to the general report offences now than in the past, and that the apparent rise in

> But the statistics undoubtedly ilcriminal activity ~ a trend which, say senior police officers, is paralleled throughout Europe.

Nationally, the proportion of re-ported offences cleared up last year was considerably better than the Metropolitan Police's 16 per cent, conceal a huge range of variation in although at 31.6 per cent it was still the successful detection of crime. nearly 5 per cent down on 1965.

trend which has seen average in-creases of 6 per cent a year during man, Metropolitan Police Commis-

by the police.

Nationally, only 25 per cent of ures. house burglaries, 20 per cent of rob-beries, 18 per cent of thefts from vewere solved last year.

Rather than attempt the near-impossible and fight to make great improvements on these figures, police forces are increasingly diverting resources into crime prevention tech-

crime are far more likely to be officers had worked harder than caught. A total of 92 per cent of murders and other killings were lence against the person, and 52 per

cent of reported rapes. Nationally, 67 per cent of fraud types of crime in a locality rather and forgery cases were solved, than police force efficiency. The while the Metropolitan Police cleared up every case of extortion

be somewhat bland.

erience of being both co-ordinator,

leader and managing director, as will be required of him at the CBL

As a McKinsey consultant and as head of the Audit Commission since

its inception in 1983, his role was es-sentially that of the "outside" com-

At the Audit Commission, how-

ever, he showed a considerable abil-

ity to mershall facts in an unbiased

fashion during a period when local

government issues were projected into the political limelight. He pre-sented those facts without fear of

A man who seems to welcome

publicity, Mr Banham can be ex-

pected to relish the high profile that goes with the job. The public will be

earing a lot of him over the next

who they might embarrass.

nistic crimes are simply not solved were only 28 cases, one which made no impact on the overall crime fig-

The crime statistics convey one clear message. Police forces cannot hicles and 11 per cent of cycle theits devote an equal level of resources to every type of crime. The Metropolitan Police now conducts annual opinion polls to identify areas of greatest public anxiety, and allocates resources in response to these

niques such as the establishment of But many of the pressures on po-Neighbourhood Watch schemes lice resources have nothing to do with fighting crime. Sir Kenneth Those responsible for serious said yesterday that in 1986 police

ever before. As politicans argue over the cleared up last year. The police crime figures - Mr Gerald Kanf-solved 71 per cent of cases of viospokesman on the Home Office. esterday attacked 'Mrs Thatcher's criminal record, saying the Government's promises to deal with crime were an empty sham - sen police officers will intensity their lobbying for more personnel.

Edinburgh trust

# New CBI chief takes over as industry's prospects brighten

BY HAZEL DUFFY

AT A TIME when prospects for in-shattering shake-out AT A TIME when prospects for industry are suddenly looking better,
Mr John Banham began work as director general of the Confederation
of British Industry yesterday. He is
the former head of the Audit Comwrite policies of which were
eroding its base.

Mr Banham arrives when the mission, the watchdog of local au- more realistic exchange rate, parti-

which, by choosing him for the top long, has boosted opportunities for job last autumn after Sir Terence Reckett announced his retirement. implicitly acknowledged that it was time for some change in direction. Sir Terence, to whom Mr Norman Willis, general secretary of the TUC, recently paid tribute by de-scribing their relations as "austere, interesting and respectful," had

done much during his six and a half

CBI head office at the Centre Point building in London. Despite his period of office coinciding with that of a Conservative try. Government, they were not easy years. Britain's manufacturing better understanding of City of Lon-base, which still forms the core of don and industry positions through

The CBI found itself in the diffi- bring together the sometimes dif-

cularly against the D-Mark, for He takes on an organisation which Sir Terence had lought so exporters. British industry's unit la-hour costs - the subject of another of Sir Terence's archious campaigns - are stabilising in relation to those

Mr Banham will not find the future plain sailing, however. The CBI must increasingly represent Britain's fast-growing sectors banking, insurance, retailing - if it years in the post to streamline the is to survive as the body that speaks for business. Sometimes, their interests and sympathies do not tally with those of manufacturing indus-

The CBI is trying to promote a better understanding of City of Lonthe CBI's memberhsip and from a task force, set up early this year, where Sir Terence had come (he which reports to Mr David Nickson, was chairman of Ford before going CBI president. was chairman of Ford before going CBI pred to the CBI), had gone through a It will

It will be a difficult balancing act,

#### switch defeats Judge takeover By James Sutton, Scottish Correspondent even for a body used to having to

SHAREHOLDERS in Edinburgh fering views of its members around Financial Trust (EFT), the small Scottish investment trust, yester the country. The very existence of day unenimously approved their board's proposal that it should reviews, by being accommodated into linquish its investment trust status a coherent whole, must necessarily and concentrate instead on financial services. Mr Bankam, 48, has had little ex-

The vote, at an extraordin general meeting in Edinburgh, marked the defeat of plans by a consortium headed by Mr Bruce Judge, the New Zealand entrepri neur, to take control of the trust increase its capital and use it to acquire strategic stakes in public

purchase by EFT of the remain 70 per cent stake in First Northern Finance, Corporation.

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the business or proprietors, enhanced status,

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Year ended 31st December	1986	1985
Turnover	£132.4m	£135.7m
Profit before taxation	£10.1m	£10.3m
Extraordinary charge	£1.9m	£0.4m
Earnings per share	14.7p	15.7p
Dividends per share	8.0p	7.45p

#### 1986 performance

CEI was unable to insulate itself from the business climate affecting the electronics industry generally and group turnover fell by 2.4%.

Market conditions improved towards the end of the year. Although many companies in the group sustained extreme pressure on profits, there were some good performances. However, it was not possible to prevent a small decline in the overall profitability of the group to £10.1m.

Rigorous control of cash resources enabled the group to maintain a policy of substantial capital investment without any significant change in the group's borrowing position at the end of the year.

Strategic review The board has reviewed the strategy of the group and the structure and management of its operations to reflect changes in technology and in the market place and to restore potential for growth and increased profitability.

This has resulted in major changes within the group and consequent costs. Although this expenditure is being incurred in 1987, full provision as an extraordinary charge of £19m has been made in the 1986 accounts.

The board regards this outlay as an essential investment in the group's future,

The future

CEI has emerged from a difficult period in a strong position which enables the board to recommend an increase in dividend.

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MDT, or Machine Down Time, is costing industry untold millions. Instead of planning main-

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# What is strength?



In banking, the single most important test of strength is capital. But it's not the only one. At Chemical, we recently increased our capital by nearly one billion dollars, and our capital to assets ratio puts us ahead of most of our competitors.

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interstate merger in banking history, with Texas Commerce Bancshares, and to the largest merger between a New York and a New Jersey bank, with Horizon Bancorp.

In the end, *no* amount of capital will protect a bank against poor management, while there's no limit to what hard work, sound management and imagination can accomplish with the capital we have.

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# **CHEMICAL BANK**

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#### **TECHNOLOGY**

### Lacy Kellaway describes the efforts of the oil industry and UK Government to develop pumping gear for the sea bed

THE NORTH SEA could be a nology has become a top far lonelier place by the turn priority for the North Sea. The cf this century; for the UK Offshore Energy Technology Government and oil industry Board, revamped by the Government to help the flagging efficient to help the flagging ere striving to make develop-ments invisible by placing equipment on the sea bed, rether these on ugly platforms towering above the waves.

However, the impetus driving teams of "subsea" researchers is economic rather than aesthetic. At stake is the development of more than 90 oil fields, which may contain almost as much oil as has already been found in the North Sea. But tecause most of these fields are small, containing between 30m and 100m barrels of oil, less than a tenth of the reserves of giants like Brent or Forties, they are at best marginally preferable to develop—aspecially profitable to develop-especially at low oil prices.

Subsea development can reduce the likely cost by between 20 and 50 per cent, e2ough to make the difference between a project going ahead or remaining on the shelf. But the main problem for the North See is distance. While the technology for subsea development has been around since the first underwater wells were com-pleted in the US more than 30 rears ago, no proven method exists for carrying the oil for ling distances.

The industry is trying to find ways to bring these marginal fields within reach of existing structures. If the present maximum of 15 km could be coubled, 80 per cent of North Sea fields could be reached from platforms already in place. from platforms already in place. To this end major research projects are under way to develop pumps powerful enough to carry the oil over long distances and to adapt traditional specialised production equip-

This marks a change of emphasis for subsea research. Initially the challenge was to produce oil in deeper waters, where the cost of building a conventional platform was prohibitive. However, these efforts came unstuck over the falling cil price. Attention has since focused on finding cheaper ways of developing the smaller marginal fields situated in kinder

For this reason, subsea tech-

offshore industry, has estab-lished a special team to re-

ished a special team to reinforce companies' efforts.
Subsea equipment is cheap
to build and install because it
is small and light compared
with typical North Sea oil platforms, which have to be strong
enough to withstand waves of
up to 100 feet. If a subsea field
can make use of upduction can make use of production facilities on existing platforms and use pipelines already in place, the total cost of bringing a field into production can be

comparatively small.

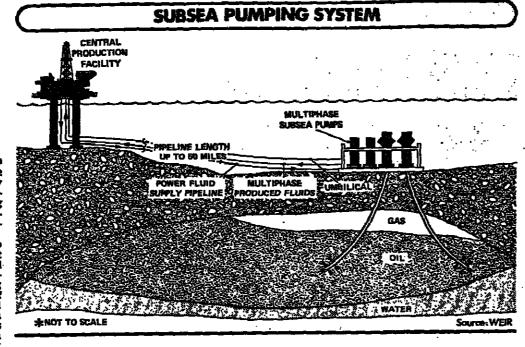
These fields are also cheaper to run as they do not need to be manned, although a few extra hands will be required on the producing platform. The major expense is maintaining equip-ment on the seabed, which by its very nature is inaccessible. The work has to be done either by divers or by remote control. This cost is falling as improvements are made to remotely controlled maintenance systems. and as components are stan-dardised and streamlined to make them easy to install and replace.

Last year two of the new generation of subsea fields were developed. Texaco's Pet-ronella and Occidental's Scappa. both of which were linked to existing structures. This year both Shell and Mobil are putting the final touches to development plans for satellite fields, which will be tied via subsea systems to existing plat-

Plans for Shell's Osprey field had initially included building a platform, but they had to be scrapped as the oil price fell. The field was only brought back into play by dint of planning for a full subsea development.

Most of these fields are close to existing platforms and work is advanced on projects that would extend the distance to 50 km and beyond. The record holder for distance is Texaco's Highlander field, completed in 1985, which stands about 13 km from the Tartan platform.

The main difficulty presented distance is pressure. Most reservoirs have enough



# The loneliness of the long-distance oil well

water or gas into the reser-voir. Although both techniques

pressures it separates, creating an unstable combination of liquids and gases. When such a mixture is pushed along a pipe-line, there are uneven surges of oil and gas.

Two solutions are being researched in the UK. One entails separating the oil and gas at the well head, so each can be pumped off singly, and the other involves a special pump, designed to deal with the so-called "multiphase flow" of the components.

Until three years ago it was generally thought impossible to build a multiphase pump, but now two British firms, Weir Pumps and Stothert & Pitt, have

natural pressure to transmit the oil up to a nearby platform.
Where the pressure is not high enough, other methods can be could be adapted for subsea use the could be adapted for subsea use the sealing it in a causale. by sealing it in a capsule.

voir. Although both techniques have been used in subsea developments, neither is powerful enough to carry the oil any great distance.

Another problem is dealing with the mixture of oil, gas, water and sand which comes out of the well. At high pressure, the gas is soluble, but at lower pressures it separates, creating prossures it separates, creating from five oil companies. The Weir pump, on the other from five oil companies.

> The pump is designed to deal equally well with gas, liquid or any mixture of the two, and could eventually carry them for 100 miles or more. This could enable the output of some fields to be piped directly to the shore, without passing through a platform on the way.

All kinds of obstacle remain before a big pump will be ready for subsea installation. For instance, the materials it is to be made of, which have yet to be developed, must be resistant to corrosion and erosion.

Weir has not so far come up with a completely satisfactory way of gaining access to the produced encouraging proto- way of gaining access to the types. The pump from Stothert pump once it has been installed,

The other alternative, being examined with EEC backing by Goodfellow Associates, a specialist subsea consultant, is to develop a fully fledged separates. This part has unlikely the public will give the unlikely the state of th tor. This will sit by the well-head and sort out the output into gas, water and oil.

The technology is not new; the separator will be a more sophisticated version of the "slug catcher," developed by Texaco for the Highlander. It is on the sea bed under the Tartan platform and separates gas from fluids gas from fluids.

However, placing a large and complex piece of machinery so far from a platform creates difficulties. One is how to dis-pose of surplus gas, which would be burnt off from a flare on a conventional platform. Another concerns the furring of pipes as hydrates build up.

These are just two of 2 collection of small problems which Goodfellow will have to solve. By the 1990s, it hopes to have a solution which will enable the separator to be installed in many of the new generation of North Sea fields.

# A truce with electronics

sprocketed film, confusion—and an element of emotion—bas synchronisation or subsequent afflicted some observers. Film, data control purposes, such as as a moving picture medium, has called forth deep loyalties and, in some cases, this has led to both its strengths and weak-nesses being misrepresented in the age of electronics.

Typical of the misunderstand-ing is a comment in the current issue of a British magazine, Audio Visual. In noting that some awards at a video festival this year went to programmes originated on film, it refers to an un-named columnist who was and med "never more wrong" when he wrote some years ago that film camera

Some columnists certainly Some columnists certainly have warned of a decline, but this has invariably referred to uses of film as a distribution medium. And this has become painfully true, with 16 mm release printing, for example, only a shadow of the businessit was 10 years ago.

As a production medium, however, film is still favoured by many because, in some

by many because, in some respects, the image quality can be superior and its physical characteristics make editing easier and cheaper. Most TV commercials are still shot on

Nonetheless, wiser people in the film industry have been making their peace with elec-tronics and using the tech-nologies of video and signal processing to enhance tradi-tional film systems. One area of activity has been electronic film conforming—a laboratory process which enables negative film to be transferred direct on to video tape with frame by frame time code references, so that editing can be done elec-tronically, by numbers, without physically touching the film. The system provides a video master automatically assembled

by computer control. with a print out of the time codes at each edit point. These codes are subsequently used in cutting the film negative to match the video assembly.

Rodak has been exploring ways of simplifying the process with a system named DataRode. employs camera film with a transparent magnetic coating applied to the non-emulsion side of the stock. The camera, or

AS ELECTRONIC image pro-cesses have invaded markets equipment, can automatically traditionally served by record on to the magnetic coning electronic information for data control purposes, such as electronic film conforming. An alternative idea is Film

An alternative idea is Film Data Track, developed by the French cine camera manufacturer Aaton. This places optically recorded data along the edge of the film outside the picture area. This facility, as well as DataKode, is being provided in a new generation of vided in a new generation of professional film cameras, in which electronics are as integral to the design as sprocket wheels and mechanical shutters.
The new Panellex Platinum exemplifies the philo-

FILM AND VIDEO by John Chittock

Wiser people in the film industry use video technology to enhance the traditional approach

sophy. Primarily for feature film production, this sophisti-cated American camera, from Panavision, can handle not only Film Data Track or DataKode, but also uses electronic view-finding with a scene memory system. This allows the director to electronically "store" a freeze-frame of the last shot before a meal-break and retrieve it later through the viewfinder, if necessary super-imposing it over the next camera set up so that the position of actors and props can be

lined up. An image intensifier is also available on the viewfinder, so that the cameraman-now able to obtain fast film stocks that will expose by candlelight—can adequately see what he is shoot-

electronics to the extent of developing a compact 16mm andio-cassette Walkman recorder can be mounted. With time code synchronisation of film and audio-cassette, the



sound recorder becomes part of the camera—the film industry's answer to the lightweight ENG (Electronic News Gathering) camera now standard in TV

reporting.

For all the virtues of film when compared with video recording — image sharpness, tonal range, ease of handling—one big handicap remains: the running cost. With 35mm colour negative costing about £25 per processed minute and 16mm, processed minute and 16mm,

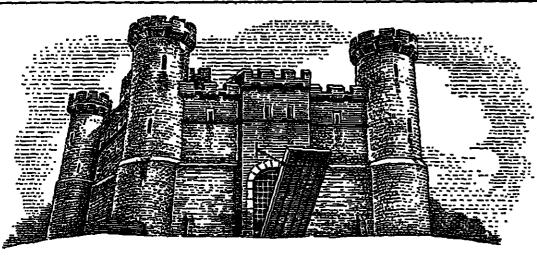
The industry is trying to overcome the problem by taking a cost-effective look at the geometry of the film frame. On 35 mm there are four perfora-tions to the frame, a legacy of tions to the frame, a legacy of the height to width ratio of the cinema screen shape used until the 1950s. With the arrival of wide screen ratios of up to 1.85:1, less of the picture height is used in the camera, leaving a wasted area between

each frame.
This means it is possible to reduce the camera and projector pull-down to three perforations per frame, saving 25 percent of stock costs. One Swedish producer has already shot a feature alm this way, using a camera developed by Panavision.

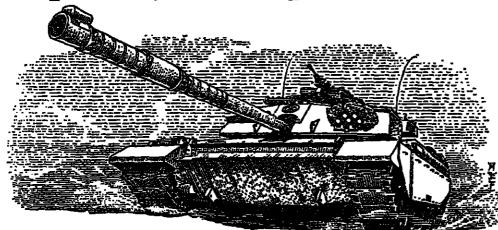
The same principle is already established with a variant of 16 mm film—so-called Super 16. Professional 16 mm camera film Professional 16 mm camera film only has perforations down one side, the other is unused because the optical sound track of 16 mm release prints will occupy this space. Super 16 extends the frame width across. this unnsed area in the camera, yielding an aspect ratio com-parable to 35 mm cinema screens.

The Super 16 negative can be then optically printed to fill a 35 mm frame without much enlargement. A 35 mm print derived from a Super 16 camera original is thus a way of achieving near-35 mm quality at the lower running cost of 16 mm. Developments such as these are making production more cost-effective; while maintaining the quality edge. With the high

cost and inconvenience of film distribution (compared with video) already putting some 16 mm distributors out of business, this seems the best strategy to defend film from the electronic challenge.



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All other claimants must complete the special form and present this at the above address together with the certificate (s) for marking by the National Westminster Bank PLC. Postal appli-cations cannot be accepted.:

DATE: 9 March 1987

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apanese Yen 10,000,000,000 Reverse Floating Rate/Fixed Rate Notes due 1996 accordance with the terms and conditions of the Notes, we hereby give notice that the Yen Libor for the period from 9th March 1987 to 9th September 1987 was fixed at 41%, giving the Interest Rate Factor of 11.162/360. On 9th September 1987, interest of Yen 31,005 will be discovered to 1900.005

KAWASAKI STEEL CORP.

be due per Yen 1,000,000. The Taiyo Kobe Bank Litt Agent\_Bank

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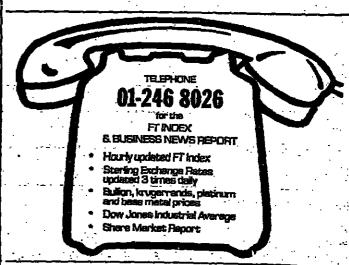
Notice is hereby given that with respect to the issuance of new shares for free distribution authorized at the meeting of the Board of Directors held on 24th February, 1987, the shareholders appearing on the register of shareholders of the Bank on 31st March, 1987 (Tokyo time) (the record date) will be allocated 0.03 new shares for each share owned, and as a result of such authorization of free share distribution the following adjustment of the conversion price shall be made pursuant to Clause 7 (H) (j) of the Trust Deed dated 30th September, 1986 relating to the Ronde

 Conversion price before adjustment: 2) Conversion price after adjustment: 3) Effective Date of the adjustment (Tokyo time):

¥ 1,014.60 1st April, 1987

The Bank of Yokohama, Ltd. 47, Honcho 5-chome, Naka-ku, Yokohama, Japan

17th March, 1987



NOTICE TO HOLDERS OF ISHIHARA SANGYO KAISHA, LTD. (The "Company") Warrants to Subscribe Shares of Continon Stock of Ishib ventrames to subscribe onaires of Continon Stock of Ishibara Sangyo Kaisha, Ltd., issued in conjunction with an issue of US\$70,000,000 31% Guaranteed Notes 1991

Pursuant to Clauss 3 of the instrument dated 23rd October, 1986 under which the above warrants were issued, notice is hereby given as follows:

1. On 10th March, 1987 the Board of Directors of the company resolved to make a free distribution of shares of the common stock to absentional trees of the common stock to absention.

Dated 17th Merch, 1987

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#### **MANAGEMENT: Small Business**

**Equity funding** 

# The gap that shows stubborn persistance

BY CHARLES BATCHELOR

SMALL BUSINESS have hit the jackpot. Several again.

years of government policies if businessmen with a good aimed at stimulating the small idea are unable to find the firms sector, tax breaks for the funds to launch a company Business Expansion Scheme there may be a shortage of growing companies in a few and the mushrooming of growing corventure capital funds should years' time. venture capital runds should years time.

have made raising finance the Equity funding is particulast of the small businessman's larly important to small businesses since it provides them

The reality is rather different. Finding funds remains a major problem for many small businesses and there is growing concern that many providers of finance to small business are unwilling to invest amounts of critical of the banks and others. less than £100,000.

The cost of researching and onitoring smaller investments in high risk companies - particularly if the funds are provided in the form of equity rather than as a loan or over-draft—has become prohibitive.

"There definitely is an equity gap for funds below the £100,000 level," says Carole Raschkes, manager of the London Enterprise Agency's (Lenta) marriage bureau, which tries to bring young companies and investors together.

Some people believe the gap is even larger. "In fairness there are difficulties in raising money up to the £250,000 level," notes Andrew Lord, senior manager of National Westminster Bank's small business section. "This does not mean there is an actual shortage of funds but the time that people have to devote to it means small companies have difficulties in raising the

gap is nothing new. The Bolton Committee Report of 1971 high-lighted its existence while the Wilson Committee warned in 1979 that "the deficiencies in the availability of equity finance for small business are put-trate on a region of the coun-ting undesirable constraints on rate of creation and

In intervening years, however, the problem appeared to have eased as new sources of capital became available. The equity gap identified by Bolton would have risen to £1m in today's money, taking inflation into account. But after this period of improvement the gap

should now seems to be widening the well structured.

growing companies in a few

vides a foundation for raising additional finance.

While businessmen are often critical of the banks and others for failing to provide equity it is equally true that many small businessmen in the UK resist giving up any shares to an outider for fear of losing control of the business.

The refusal of many venture The refusal of many venture capital funds to back the smaller ventures can be particularly galling. The venture capital sector has grown dramatically in recent years. From just 20 funds active in 1979 the number has grown to more than 110 and investments in UK companies have exceeded £200m a

year in recent years.

The venture capital funds have provided additional equity funding but as the industry has matured many of the funds have moved away from providing the smaller amounts many ing the smaller amounts many companies need.

"Minimum investment levels have doubled in the past five to six years," says Tony Lorenz, senior managing partner of ECI ventures. "In the early 1980s venture capital funds were liquid and were building up deals. But we started to ask ourselves where our £50,000 investments were leading us. The answer appears to be for funds to specialise in a parti-cular industry or to concen-

try.
3i (Investors in Industry), the largest provider of venture capital in the UK, is readier than most to consider smaller propositions but Neil Cross, assistant general manager, agrees that "pound for pound they are more expensive to put together and monitor." Cross denies, however, that there is a funding gap for

presented business proposition.

"If there is an equity gap then
it is for those projects which
won't grow and won't give the return we require."

With venture capital fund managers looking for average returns on their investments of 25 to 30 per cent—and for up to 60 per cent on some of the high-tech start-ups—it is per-haps not surprising that few

new companies go out of business in the first three years of their existence—despite the attempts to weed out the losers - the reason for the fund managers' caution is under-

But it is the banks, rather than the venture capital funds, which are the major sources of finance for small businesses, usually in the form of an overdraft or a loan. And it is the banks which feature most prominently in the tales of woe related by many small business-

Bill Grice, managing director of Lasertech Plastics, which produces precision-cut plastics for the medical and electrical industries, complains that despite the fact that he could show £70,000 worth of confirmed orders, his bank manager refused to provide extra funding.

Lasertech, based at Biggin Hill. Kent. was finding it difficult to fulfil these orders because it was short of cash, says Grice. The bank initially helped out with a £25,000 loan and Grice raised £45,000 from remortgaging his home and bor-rowing from friends to bring his company to the production stage. It was at this stage, he claims, that the bank let him

He is now close to completing an arrangement with a private investor — contacted through Lenta's marriage bureau—who will invest £75,000 and join the Lasertech board. The banks recognise the problems many small businesses face and a number are

setting up special units to provide specialist help for business-NatWest recently launched



what it calls its capital loan scheme to help small businesses over this hurdle. It will provide a loan of up to £200,000 with options attached to allow the hank to take shares in the com-

pany at a later date.

The BES funds have been a useful addition to the range of funding options open to small businesses. But the restrictions imposed by the Inland Revenue on BES companies mean it is not suitable for all new com-

And like venture capitalists and bankers the managers of BES funds only have the ources to monitor a limited number of investments. Pressure for them to go for the larger investments is strong.

Don Strachan, managing director of Task Force, an Essex-based manufacturer of sound-activated burglar alarms, complains his contact with the 10 BES fund managers he approached was limited to a telephone call and a request that he put a copy of his business plan in the post,

None was prepared to finance him but he finally raised £40,000 from two private investors he met through the Lenta marriage bureau. They have taken a 50 per cent stake in the company.

The problems faced by many small businesses in raising small amounts of capital have prompted a number of enter-prise agencies to establish marriage bureaux. They give entrepreneurs a chance to present their business idea to a group of private investors.

Raschkes acknowledges that Lenta can only afford to support such a time-consuming way of finding backers because it is a non-profit making organisation.
A commercial organisation could not justify the cost.

A number of local authori ties has also begun to provide smaller amounts of equity

What can be done to improve availability of small amounts of capital for young businesses? The marriage bureaux and the local authorities can meet only a small part of the demand.

capital to small firms in their

A number of answers were suggested by three studies\* carried out last year by the National Economic Develop-ment Council (NEDC) into the financing problems facing small

The banks, the NEDC suggested should improve their training so that their managers could better assess the risks of the proposals put to them. This might encourage them to carry out more long-term or equity

.But the NEDC also had advice for the businessman He standing of the financial dis-ciplines of running a small usiness and be more willing to give up a share in the equity of his company to outside investors, it urged.

\* Lending to small firms, £5; External capital for small firms, £3.50; Finance for Growth, £3.50; from Millbank Tower, London SWIP 4QX. Ethnic communities

# Help for displaced cultures

Charles Batchelor reports on Ismaili and Bangladeshi initiatives in the UK

recent years. More than 300 have been established since the late 1970s when the movement, which aims to bring big business skills to help small firms and the community, began.

One of the more unusual agencies, and one that is not usually counted in the statis-tics, is the Ismaili Business Information Centre in Kensington, West London, set up in 1976, to help the 15,000 Ismaili Muslims who have come to Britain, mainly from East Africa. In several important respects-its ethnic bias and its financial dependence on one main source, the Aga Khan Fund for Economic Development — the centre differs from others around the country. But its aims, to help its clients to help themselves in business, are the same as those of other agencies.

"The Ismaili community had a business culture but it had been displaced to a new country." says Sadrudin Akbarali, head of the centre. "We knew as a minority we would have problems establishing a track record. His Highness, the Aga Khan (spiritual head of the community) said we must make ourselves bank-able."

trate on retail and service sectors since these appeared to provide better prospects and required less capital than manufacturing. It devised a loan guarantee scheme with Lloyds Bank whereby the Ismaili comwould guarantee onethird of any loan.

"Initially the bank was relucfirst five years I hardly had a He calculates that the bank

has lent £11.6m under the scheme and a further £8.1m has been provided outside the scheme. The failure rate of companies covered by the guarantee has been under 3 per cent compared with around 30 per cent for the UK nationally (though the Government's guarantee scheme is simed at very high risk ventures) and a total of 700 families, a fifth of the community, helped into busine

Now many of the businesses which the centre helped create are moving on to the second stage of their development—and

The centre decided to concen- proper corporate and financial structure with the appropriate controls," explains Akbaraii. To help companies over these difficulties. Industrial Promotion Services (IPS), part of the Aga Khan Fund, provides new equity capital and will take a stake of between 20 and 60 per cent in companies run by members of the Ismaili community. In return for the financial

tant but it snowballed," says
Akbarali. "We created a track
record with the bank and in the
must adapt its corporate structure and controls so as to allow it to grow further. Most important, the high level of gearing (borrowings in relation to equity capital) must be reduced from a typical level of 3:1 down to a more comfortable

> IPS does not aim to remain a permanent investor in the companies it helps but reckons on pulling out three to seven years

A characteristic of the second generation of Ismaili businessmen is that they are willing to take greater risks in business and are prepared to enter a broader range of activities. On the other hand the sons are not prepared to work the 80 or 90 hours a week that their to a new set of problems.

"Family businesses face the problem of bringing in outside skills and of establishing a quality of life, Akbarali says."

# 'Unprecedented co-operation'

a picture of ordered self-sufficiency, over on the other side of London the Bangladeshi community in the East London borough of Tower Hamlets is a group under stress.

Since up to 80 per cent of the Asian community comes from the primarily rural area of Syzet, it lacks many of the business skills developed by the Ismailis in East Africa. The Bangladeshis tend to be locked into businesses in the rag trade, catering, retail and leather businesses, says John Byatt, London regional director for Business in the Community, the umbrella organisation o Britain's enterprise agencies.

After 18 months of negotiation BIC has devised a scheme to provide advice and finance the Bangladeshis of East London in what Hvatt believes is an unprecedented degree of co-operation between the City

BIC plans to recruit two Sylheti-speaking outreach workers to help local businessmen develop their ideas and to form the basis of an East Loudon Bangladeshi Enterprise Unit. The outreach workers will be funded by a £32,000 grant from the Home Office, a £2,500 annual contribution from local Bangladeshi businesses and money from the private sector.

the insurance market, has agreed to set up a £50,000 fund for use by the immigrant communities in Tower Hamlets and nearby Hackney.

the City has put money into a community cannot support venture like this," says Hyatt. itself," comments Hyatt, "We "The City is becoming aware hope to make them aware of

of London and the local com-munity. lated from these problems. We have been working on this for. until now

The willingness of local Bangladeshi businessmen to put up fands to help their own community is also unprece dented. Previous attempts by BIC to persuade local ethnic nunities to help fund selfhelp schemes have not produced results.

The seed-corn funding will be distributed to deserving merchant bank, will provide £1,000 and over 24 month capital while Lloyds of London, vary, though in the insurance washing to the capital while Lloyds of London, vary, though in the insurance washing to the capital while like the capital while Lloyds of London, vary, though in the capital washing the capital while like the capital washing the c vary, though in some cases interest-free loans may be given.
"The Asian communities tend

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nities in Tower Hamlets and to have their own internal sup-trby Hackney.

This is the first time that in East London are so bad the that it should not remain iso-other opportunities."

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# FT LAW REPORTS

# No weddings, no wages for the registrar

MILES V WAKEFIELD METROPOLITAN DISTRICT COUNCIL

House of Lords (Lord Bridge of Harwich, Lord Brandon of Oakbrook, Lord Brightman, Lord Lord Templeman and Lord Oliver of Aylmerton): March 12

AN EMPLOYEE or the helder of an effice with fixed hours and salary cannot claim for salary deducted pro rate in satary deducted pro rate in respect of hours each week during which he takes indus-trial action by refusing to work efficiently.

The House of Lords so held when allowing an appeal by the Wakefield Metropolitan District Council from a Court of Appeal decision (Lord Justice Eveleigh dissenting) decision (Lord Jusuce Evereign dissenting) that superinten-dent registrar Mr Henry Miles was entitled to be paid for Saturday mornings on which he refused to conduct wed-dings

LORD TEMPLEMAN said that Mr Miles was superintendent registrar of births marriages and deaths for Wakefield. He was appointed by the council. He was raid a select by the He was paid a salary by the council and worked a 87-hour week. One of his most import-

week. One of his most important functions was to conduct weddings. The most popular time was Saturday morning.
On instructions from his trade union, Nalgo, Mr Miles refused to conduct weddings on Saturday marginate. He Saturday mornings. He re-mained willing to come to

By a letter dated October 8
1981 the council made it clear
to registration officers that
while they were not prepared
to undertake their full range of Saturday duties they were not required to attend for work on Saturdays and would not be

his salary while he remained unwilling to conduct Saturday weddings. Mr Miles sought payment of

the sums deducted, amounting to £774. Mr Justice Nicholls decided against him. The Court of Appeal by a majority held he was entitled to be paid his full salary unless and until he was dismissed. The council now Mr Miles's rights and obliga-tions derived from the Registra-tion Service Act 1953, Section

5 created the office of super-iptendent registrar. By section 6(1) every superintendent registrar was to be appointed by the council, but by section 6(3) he could only be dismissed by the Registrar General. The Wakefield registration scheme assimilated a super-intendent registrar with a local government officer in relation to

salary, superannuation and other matters. Under the scheme Mr Miles was entitled to a fixed salary and was bound to work a 37-hour week.
Thus his position was in-Thus his position was in declined to work at all for a many respects similar to that of an employee. The main differences were that he could only be dismissed by the Registrar periodic basis, there was no performed. an employee. The main differences were that he could only be dismissed by the Registrar

General, and he performed tasks imposed by central government in the interests of the Mr Sedley for Mr Miles submitted that significance attached to the fact that Mr Miles was not a servant under a contract

of employment, but was the holder of an office. in treatment. To decide the appeal it sufficed that there was appeal it sufficed that there was which he was properly required no logical distinction between a to do on Saturdays. His action superintendent registrar and a for remuneration for that work municipal dustman if both were must fail. on strike, both were supported by their unions, and both claimed payment in full of salary and wages during the For the council:

Mr Sedley summues and until an employer put an end to a contract of ley, QC; and Antony White employment he must pay full (Penelope Grant, Nalgo).

By Rachel Davies on strike. He said Mr Miles was

not dismissed and was therefore entitled to full salary.

In essence Mr. Miles was employed by the public and his industrial action took the form of declining to work efficiently on a Saturday with the object of inconveniencing the public and advancing his union's claim for higher salaries.

The Employment Protection (Consolidation) Act 1978 protected a worker against losing his job as a direct consequence has job as a direct consequence.

his job as a direct consequence of industrial action, but it did not protect him against loss of not protect min against loss of wages during industrial action. Mr Sedley submitted that where a worker committed breach of contract by declining to work, the employer's remedies were rescission and

damages.

If the damages suffered were wages for lost hours, it would be purposeless to require the employer pay them and then recover a like amount by way of

demages. It could not be right that an employer should be compelled to pay something for nothing. In a contract of employment wages and work went together. The employer paid for work and the worker worked for his works. If the amployer declined wages. If the employer declined to pay, the worker need not work. If the worker declined to work, the employer need not A worker who sued to recover

his pay must allege and be ready to prove that he worked or was willing to work.
Different considerations applied to failure to work by sickness or other circumstances governed by agreement or Mr Miles disentified himself

ings because he declined to work then in accordance with his duty. Where industrial action took In refusing to conduct Saturday weddings Mr Miles conceded that he acted in breach of his duties. The council deducted three thirty-sevenths of ducted three thirty-sevenths of the column while he committed to wages.

for salary for Saturday morn-

wages.

Mr Miles offered to work inefficiently on Saturday, but could not compal the council to accept that offer. On its refusal to accept, he ceased to be entitled to be paid for Satur-

The appeal should be allowed. LORD OLIVER concurring, said that the true nature of superintendent registrar's salary, for which provision was made by section 13 of the 1953 Act, was a remuneration for work done and not simply an honorarium for tenure of office. The nature of the remuneration and the terms of office were so closely analogous to those of a contract of employment that his claim ought to be approached in the same way as under such a contract.

In the case of the ordinary contract of employment there Was 10 6 wages for bad work or to deduct from wages self-assessed damages for such work. But where an employee

ground on which the employee could successfully suo for remuneration.
A plaintiff in an action for remuneration under a contract of employment must assume the initial burden of averring and proving his readiness and

proving his readiness and willingness to render the serof employment. Out was the holder of an office.

It was difficult to see why there should be any difference in treatment. To decide the and willing to perform the work that the was ready and willing to perform the work that th

Lord Bridge, Lord Brandon and Lord Brigatman agreed salary and wages during the For the council: Alexander trike.

Mr Sedley submitted that (Scarpe Pritchard and Co).

Mess and until an employer and an end to a contract of the council: Alexander troine, QC; and M. R. Taylor (For Mr Miles: Stephen Seduction and the contract of the council: Alexander troine, QC; and M. R. Taylor (Total Stephen Seduction).

A FINANCIAL TIMES SURVEY

#### SOFTWARE PACKAGES FOR BUSINESS

Publication Datt: Monday May 11 1987

The Financial Times proposes to publish this Survey on the above date. The provisional editorial synopsis is set out below and is not a Press release therefore cannot be used as each INTRODUCTION

PACKAGE SOFTWARE AND THE UEW CHIP

WHAT IS HAPPENING IN SPECIFIC APPLICATION

BUILD OR BUY

EXPERT SYSTEMS

6. DESK TOP PUBLISHING

GRAPHICS PACKAGES
INTEGRATED SOFTWARE A PROFILE OF A MAJOR US-BASED PACKAGED SOFTWARE VENDOR

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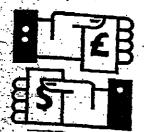
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# FINANCIALTIMES SURVEY



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**"**"

The growth of crossborder equity investment following the easing of controls in markets around the

world has created the need for a new instrument to measure performance. This will be offered by the FT-Actuaries World Indices, launched today, which will capture daily the prices of 2,400 equity securities in 23 countries. Richard Lambert reports.

# A benchmark for investors

THE FT-ACTUARIES World onwards: controls have also Indices, launched today, are intended to provide a new Europe. An increasing proporbenchmark for investors in equities around the world. Based on the prices of around 2,400 equity securities drawn from 23 countries, the indices represent well over 70 per cent represent well over 70 per cent of the total market value of the

world's main stock markets.

The decision to calculate all these numbers follows the enormous growth in the volume of cross-border equity investment in recent years. US fund mana-gers, who 10 years ago invested almost entirely in their domestic market, have been encouraged to diversify on an international basis, both by legal considerations and by the attractive returns that have

trols in the UK led to an upsurge of foreign investment from 1979

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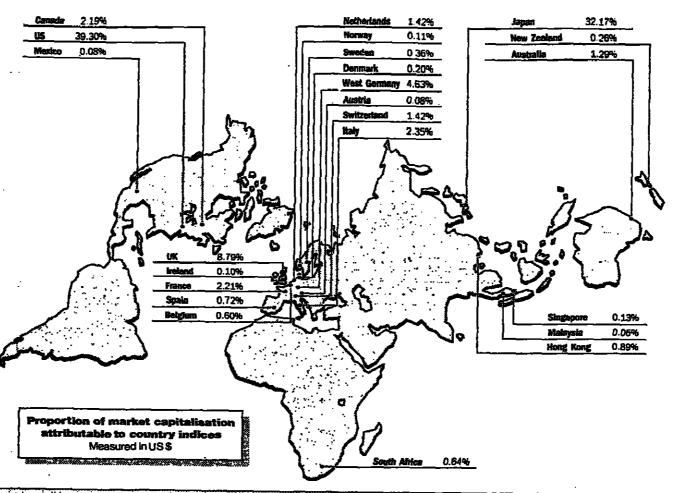
WORLDWIDE

tion of Japan's enormous capital surplus is being directed into the world's equity markets.

Calculated on the same basis as the well established FT-Actuaries Indices of UK securities, the indices will be produced daily and published in the Financial Times. As well as the individual indices for 23 different countries which is different countries—which in many cases will be more comprehensive than the best-available local yardsticks—the daily table will include a series of regional indices together with the overall World Index.

The main aim has been to provide a set of measurements against which to judge the been available. performance of international fund managers. This means that markets, companies and securities have been included only

GLOBAL



# FT-Actuaries Wordindices

by foreign nationals are allowed. The registered shares of Swiss companies and Swed-ish bank stocks are examples of securities that have been excluded for this reason.

Again with the international investor in mind, the indices are

calculated in three separate the relative weight of local capitalisations. The gross dividend calculation of UK indices since yield is also published, on the 1962. basis of what foreign share-

RESEARCH

before withholding taxes.

The project is being managed jointly by the Financial Times; Goldman Sachs, the leading US investment bank; and Wood Mackenzie, one of the most prominent members of the International Stock Exchange International Stock Exchange in London. The whole exercise currencies—the US dollar, ster—is under the oversight of Sachs will be responsible for ling and the local currency. The representatives of the Institute the North American constitueing and the local currency. The representatives of the Institute the North American constitueing and that takes into account Actuaries, which have been Europe, and Wood Mackenzie Actuaries, which have been working with the FT on the

The main reason for this joint

when direct holdings of shares holders are entitled to receive arrangement is that the new indices require an enormous amount of specialised expertise and continuous monitoring if they are to meet their ambitious goals. The right constituents have to be selected, and details of price movements and capital changes have to be checked daily. In broad terms, Goldman will look after everywhere else.
A number of other world
share indices are already pub-

lished, most notably the Morgan

Stanley Capital International series, and others may be in the pipeline. Apart from its very comprehensive coverage, the special feature of the new FT-Actuaries series lies in the independence and established authority of the FT and the Actuaries in the calculation of indices. Fund managers, whose livelihood depends on how they perform in comparison with such yardsticks, need to be confident that the indices will be calculated in a consistent, objective and readily understandable fashion. The new indices will be under

The cross border market in shares 2

The full list of 2.500 com

The growth of index funds

are jointly compiled by The Financial Times Limited, Goldman Saches & Co. and Wood Mackenzie & Co., Ltd. in conjunction with the Institute of Actuaries and the Faculty of

the control of a specially formed policy committee, which will meet quarterly under a chairman appointed by the Institute
of Actuaries and the Faculty of
Actuaries. Both the FTActuaries UK indices and the
index also excludes companies

up-to-date and meet the current sion of Rover Group—which is needs of investors. It will also more than 99 per cent owned by supervise the daily running of the project. The hope is that investors will register their views with this committee. The more information that can be gathered about their views and

requirements, the better the quality of the product.

As well as the chairman, the committee will consist of another representative of the Actuaries, one from each of the three committees and representative of the committees. three compilers, and representatives of user groups. These currently come from County Investment Management, Rowe-Price Fleming International, level of marketability. There is and the WM Company. Details of an exception to this: if the aver-

Selecting the constituents has proved to be an enormously Subject to the other concomplicated task. The policy straints, the Index has aimed to committee wanted to establish as clear and objective a set of companies with a strong interas crear and objective a set of companies with a strong inter-ground rules as possible. Inevit-ably a number of compromises In order to keep the whole have had to be made in order to cope with different circumst-ances around the world. But the much the biggest and most overall guidelines are reason-ably straightforward.

ably straightforward:

In each country, the aim has been to capture at least 70 per cent of the total market value of cise, it is likely that, despite all all companies' shares listed on the domestic exchange. In coun-tries where this has not been possible, such as Sweden or Malaysia, the reason is usually to be found in various con-straints which exist on the ownership of shares by foreigners. Another goal has been to capture a fair proportion of the number of companies available: we did not want to construct simply an index of giant com-panies. Of course, the structure of markets varies from country to country. For instance, the West German equity market is dominated by a small number of large companies, which means that, although the new index represents a high proportion of the local market in terms of value, it only includes a relatively small number of West

German companies.
Overall, the Index represents

CORPORATE

over 15 per cent of an estimated listed companies.

FT-SE 100 Index are also controlled by a similar system.

The committee's job will be to make sure that the indices are the UK Government—would have been quite misleading.

Companies and markets are included only when the compilers are confident that a reliable and timely source of price movements is available. The indices are based on the previous days closing origins with vious day's closing prices, with the exception of Mexico, which is a day late because of the difficulties of price collection.

Companies with a market value of less than \$100m at the end of 1985 have been excluded. in order to ensure a reasonable level of marketability. There is changes in the constituent list age market capitalisation in any will be reported promptly in the FT. cut-off level has been set at that

our efforts, the initial list of constituents may well contain some gremlins. We are pub-lishing the constituents in full, in the hope that users will point these out and so help us to con-struct a set of indices which will do on a world scale what the FT-Actuaries Indices have already done for the UK market.

#### Survey Reprints

A half-size reprint of the World Indices Survey can be obtained free of charge by sending an A4 SAE (letterpost rate) to Lorraine Spong, Financial Times, Bracken House, 10 Cannon Street, London EC4P 4B1

# FT-ACTUARIES WORLD INDICES

These indices are jointly compiled by the Financial Times, Goldman Sachs and Wood Mackenzie, in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS		U.S. DOL				
Figures in parentheses show number of stocks per grouping	US Dollar Index	Day's Change %	Pound Sterling Index	Local Currency Index	U.S.\$ Gross Div. Yield	16%
Australia (95) Austria (12) Belgium (44) Canada (136) Denmark (32) France (125) West Germany (98) Hong Kong (43) Ireland (11) Italy (72) Japan (452) Malaysia (34) Mexico (24) Netherlands (36) New Zealand (30) Norway (26) Singapore (24) South Africa (49) Spain (33) Sweden (34) United Kingdom (353) United States (560)	105.60 105.12 105.15 105.15 106.10 107.67 108.71 109.05 111.54 113.10 112.90 113.40 114.36 116.38 116.17 112.49 113.64 114.00	+0.36 +0.51 -0.08 -0.56 +0.83 +0.00 +0.95 +1.57 +1.04 +0.34 +2.49 +1.58 -0.20 +0.50 +0.86 +0.49 -4.30 +0.49 -0.30 +0.49 -0.30 +0.70 +1.08	105.22 105.23 105.60 105.12 105.15 105.15 106.10 107.67 108.71 109.05 111.54 113.10 112.90 113.40 114.36 116.38 116.17	INFORM	IN THE HEY GO	DO YOU WHERE WORLD OT THEIR FROM?
Europe (985) Pacific Basin (638) Pacific (1622)	115.01 120.17 222.22 122.34	+0.77 +4 5		·		

The new F.T.-Actuaries World Indices are set to become the primary source of information for international investors, and fund managers who operate in worldwide markets.

But have you ever thought who provided the initial research and collated the vast amount of data required to develop these indices?

Wood Mackenzie, in conjunction with the F.T. and Goldman Sachs, constructed the comprehensive world market data base upon which the new F.T. service is based. We're also supplying constant updates on all aspects of international investment planning.

At Wood Mackenzie we pride ourselves in providing top quality information and advice based on regular analysis of economic and market trends.

And, what we do for the F.T., we can also do for you.

All our skills and resources are now available to the professional investor, so get in touch with the people behind the F.T.-Actuaries World Indices – call Wood Mackenzie worldwide.

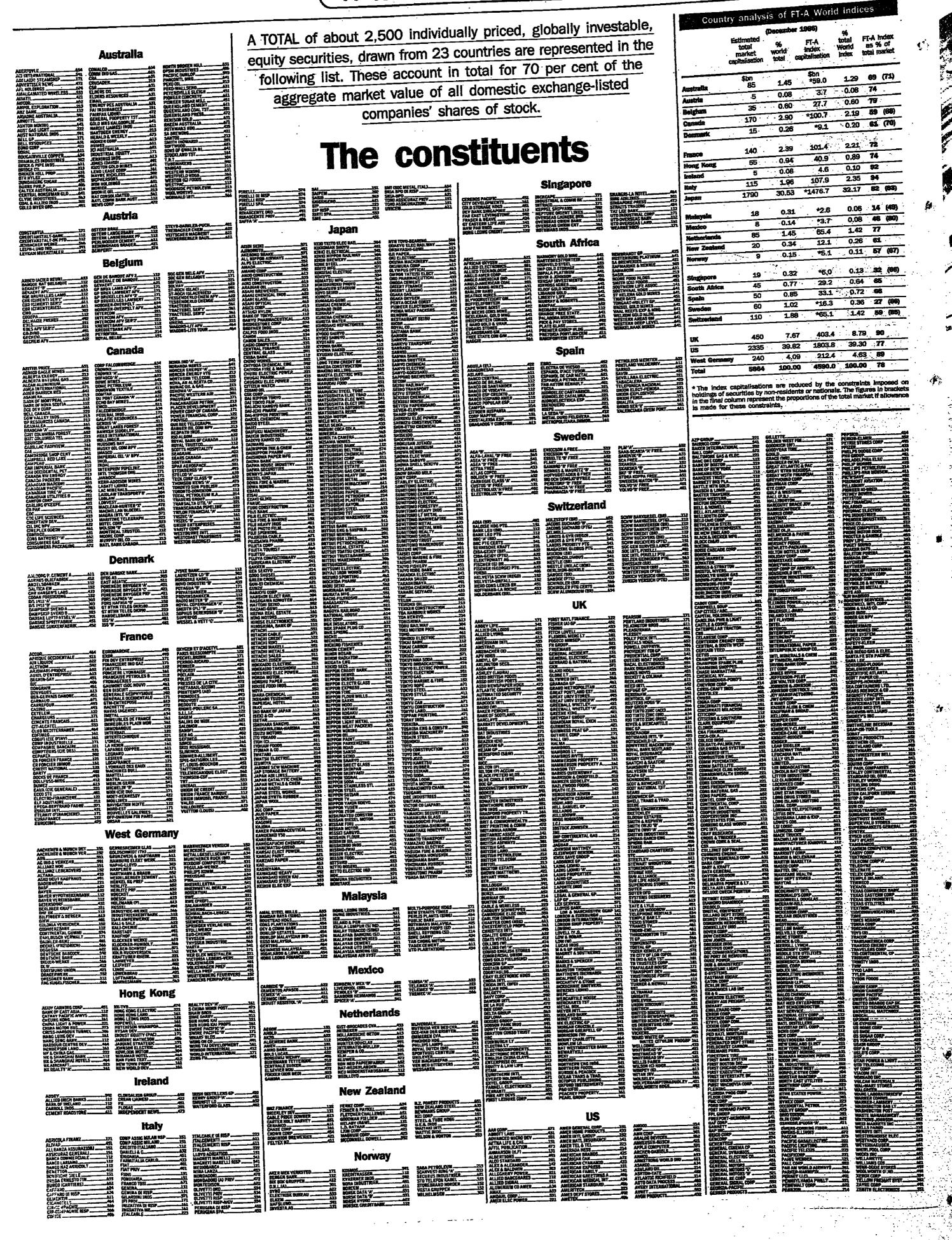
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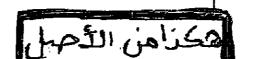
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EDINBURGH YORK THE STOCK EXCHANGE

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# FT-A WORLD INDICES 2





#### FT-A WORLD INDICES 3

Technology has provided instant windows on world markets.



# The big investors go global

THE VERY nature of the crossborder market in shares which has mushroomed over the past

few years dictates that nobody really knows how big it is. True, the investors and broking firms which buy and sell shares across national boundaries do employ established stock markets for many of their rades. But no stock exchange is able to break down which trades are purely domestic and which are not

Just as significant, however, is the fragmented state of the mar-ket in shares which does not pass through exchanges. Much business is done on the telephone across borders, with no established methods for processing or supervision.

Some efforts have been made to determine which shares have a liquid market outside their own borders but the volume of trade still remains largely

What is clear, however, is that it is growing and that increasing efforts are being made to har-

By the end of last year, US pension funds had over \$42bn invested abroad, nearly three times the figure only two years previously, according to figures from InterSec Research, a Stamford, Connecticut-based consultancy. This is still a very small amount compared with the funds of perhaps \$2,000bn under their control, but it cer-tainly indicates a new emphasis in a previously insular industry. Institutional investors have looked outside their own bor-

ders for several reasons, of which one of the most powerful for dollar based investors has been the fall of the dollar. This has made already attractive markets positively compelling last year, for example, the Tokyo stock market rose an impressive 50 per cent in yen terms, but a staggering 87 per cent in dollar terms.

Other factors which apply to

cent in dollar terms.

Other factors which apply to institutions globally are:

The very strong performance of many stock markets over the past few years. The figures speak for themselves: world stock markets, as measured in dollar terms by the Morgan Stanley Capital International Index, rose 37 per cent in 1985 and 39 per cent in 1986. European shares rose 73 per cent and 34 per cent in those two years. The advantages of spreading a portfolio across the world market are obvious.

Institutional fund managers have felt themselves increasingly beset by competi-

Market capitalisation Proportion of FT-Actuaries Indices attributable to country indices FT-A European-Pacific Basin Index FT-A World Index

(excluding Japan) italy 4:07% **Italy 3:47%** France 3-261 rance 3-82% Neth. 2.46% Canada 3-234 Switz. 2-45% Moth. 2:10% 12-96% UK 15-21% Australia 2-23% Switz. 2:09% iong Kong 1·54% 6-82% West Germany 8-01% **Spain** 1.25% Hong Kong 1.31% Beigium 1:04% **Spain** 1 06% **Sweden** 0-61% Others 3:86% **Others** 1:64%

measured in US dollars

short-term performance of their become more active traders: the investments, and surging stock arbitrage and other strategies markets outside their own country cannot therefore be ignored. Managers have also been spur-red into putting more of their investments into equities, instead of keeping them tied up in safe, relatively low-yielding

bonds.

The strides made by technology have provided institutions with instant windows on to world markets. Though there remains some way to go before all the information they need is both reliable and instantly available, investors can be reasonably assured that they can keep up to date with share prices abroad and with the news that is likely to affect

those prices.

The big securities firms which serve the institutions have themselves sought global reach through a presence in all the major markets, enabling them to provide more efficient trading capabilities as well as

Despite all this, however, it is not yet clear to what extent institutional investors use foreign markets to trade. Last year, for example, the majority of the rise in the InterSec pension fund figures could have been accounted for simply by a rise in the value of previously held investments. held investments.

	es a private-sector pen	percentage of sion assets: :	f 1980-1990	Projected
	1980	1985	1986	1990*
United States	1%	3%	4%	8%
United Kingdom	9	18	20	25
	1	8	10	20
Japan	4	9	10	15
Netherlands	7	8	9	10
Canada	4	4	5	8
Switzerland		3	4	6
Germany	0	8	15	20
Australia	0	0	0	0
South Africa	<del>1</del>	2	2	3
France			0	1
Denmark	0	20	20	20
Ireland	20	60	60	65
Hong Kong	60		30	. 35
Belgium	25	30	0	0
	0	0		<del></del>
Norway	0	C	0	
Meloysia	0	0	3	8
New Zealand		0	0	0

\*Percentage of Total Pension Assets Rest of the World Note: 1990 projections assume no changes in foreign investment restrictions where they now exist.

Preliminary estimates by InterSec Research Corp.

now employed on Wall Street, with the considerable assistance of computers, have pushed volume there to previously unthinkable levels. In London, the fall in transaction costs and heightened competition after last October's Big Bang reforms have contributed to record Trading in continental stocks

in London is reported to have grown substantially as a spin-off grown substantially as a spin-off of Big Bang. It is often said, for example, that business in Swedish stocks is larger in London than it is on the Stockholm bourse. The general rule, however, is still very much that the domestic market for each that is the wine determinant. stock is the prime determinant

Of its price.
Other phenomena indicating more sophisticated use of the international market by institutions are also beginning to emerge. In the London market, for example, institutions now frequently trade whole port-folios of stocks with brokerage houses who have little idea of the contents. This practice is

the contents. This practice is already rapidly being applied to portfolios spread across a number of countries.

There remain, however, serious problems hampering the growth of the cross-border trading market.

First, the liquidity of many individual stock markets is either inadequate or unreliable. This is bound to be seen as a drawback by institutional fund managers who, in an increasingly performance-oriented world, need to be sure that they can get out of their investments just as easily as they get in.

both centralising and boosting its liquidity. The market will also have supervision in that it will be subject to the investor protection provisions of the new UK Financial Services Act—though the provisions are less tough for professional than for small investor business.

Fourth, investors outside the US lack liquid risk management instruments, such as stock index futures and options, which would enable them to adopt more complex investment strategies. they get in.

international trades is notoriously inefficient. By some esti-mates, as many as 40 per cent of cross-border trades fail to be completed because incorrect information is passed, or is claimed to have been, between the many parties—investors, brokers, banks, custodians and clearing systems—involved in such a deal. Even if trades succeed, they are likely to be very costly. This problem is cur-rently the subject of an inten-sive drive, both by established stock exchanges and by outside operators who have spotted an opportunity to capture the glo-bal market.

Third, the market is so fragmented that investors must sometimes wonder whether they are dealing at the best prices, and whether there is prices, and whether there is proper oversight of the brokerage firms with which they are dealing. The London Stock Exchange is plauning to attack this problem with a new technological system which will aim to make London the focus of international share trading, both evertwelling and beceting

17.5

#### Estimated size and non-domestic exposure (Year-and 1980 and year-and 1986, in \$bn equivalent 1986 1980 Holdings Foreign Total Total Total Assets Securities United States \$1250.0 \$45.0 \$330.0 \$3.3 1.0 3.6% 10.0 40.0 0.4 1.0 145.0 14.5 9.0 United Kingdom 243.0 58.6 23.3 108.0 9.7 3.9 85.0 8.5 10.0 38.0 1.5 5.6 9.0 29.6 2.0 6.9 62.0 65.0 3.3 5.1 33.0 1.3 3.9 2.0 48.0 1.9 4.0 25.0 0.5 12.0

Private pension assets

Figures include both equity and debt; equity at market value and other asset at book value. Amounts converted to U.S. dollars for each year at the then-effective exchange rates. Swimer Coldman Sachs

15.0

4.0

0.7

1.8

0.2

12.0

Performance measurement

# A growing band of clients

the international investment business. Two are American-based: the pension fund consul-tants Frank Russell, and the specialised international diversification consultants InterSec

The third is the Edinburghbased WM Company, formerly an arm of brokers Wood Mackenzie but now separately consti-tuted and owned (the WM is now said to stand for world markets).

Oddly, only one of these, WM, is a major force in its own national market. For the Americans, overseas measurement has evolved separately from the domestic activity which is dominated by Simulated Environments Inc (SEI) and

several of the big trust banks.
Some of these banks are now expanding their international expanding their international coverage, but are a long way behind the leading three which have built up their essential client bases or "universes."

Pension funds are the major clients for performance measurement services, basically because trustees need

to monitor the achievements of the external managers who have been hired to run funds (or parts of them).

Trustees are therefore willing to pay fees of a substantial size in order to determine not only overall performance, but sometimes also to get an independent the strategies employed by the managers and on the risks assumed by them. Investment management companies are also potential clients, and consultants like InterSec are seeking to sell a variety of complex portfolio analysis services to them.

The big factor for the managers, however, is the need to get into the performance league tables as a preliminary to marketing to new clients. At Frank Russell and InterSec measurement tends to be associated with a manager selection role, though WM has stood aside from this, arguing that the functions should be separate.

Other potential clients for global performance measurement include national investment funds, like those of Kuwait and Brunei, although consultants are not allowed to discuss any connections with such secretive

With mutual funds.

unit prices by, for instance, massines. Measurement, magazines. Measurement, therefore, does not tend to be a high value-added service of the kind provided by the special-ised operators, although another American company, Lipper Analytical, markets an offshore fund measurement

It is notable that independent performance measurement has until now been largely confined to the US and the UK, together

sources, notably Japan, where overseas investment is now exploding as a consequence of that nation's persistent trade surplus. But tapping that poten-tial is a tricky marketing prob-

in Switzerland. That country has long been a major force in the international portfolio management business, but it has sold its services on the basis of security and asset preservation rather than index-beating growth for the security and systematical for the security and asset preservation and the security and asset preservation index-beating growth.

For equities there are two main approaches. One is to compare performance to an index-such as the established Morgan Stanley Capital International World Index (or one of its derivatives).

The FI-Actuaries World

stantial volume of international ket in the past two or three investment money is now being measured. The objective is to assess the extent to which inter-national fund managers are to the US and the UK, together with international funds with beneficiaries in those countries.

But there are now expectations that other countries will become important client sources, notably Japan where

Naturally, this is a complex procedure which has to take into account currency movements as well as fluctuations in the levels of individual national tial is a tricky marketing problem for the American and British measurement specialists.
On the continent of Europe,
the signs remain fairly negative
in Switzerland. That country

For equities there are two
main approaches. One is to com-

The FT-Actuaries World The Swiss, generally speak. Index will also be a possible ing, are not enthusiastic about yardstick from now on, although having their performance measured. The feeling is that, if before it is capable of being pushed, the Swiss banks will set used for three-year or five-year the their own measurement.

a long tradition of overseas
portfolio investment. For instance, WM has picked up some 25
Dutch funds as clients, and has
when international managers just opened an office in diverge from index perform-Amsterdam. ance—as they have, rather Around the world, a very sub- seriously, in the Japanese mar-

years.
There are good and bad reasons for this. Often foreign investors are excluded from certain kinds of investment, which make it impossible for them to match an index with any

precision. But sometimes international managers will simply get a national market wrong (at least in terms of short-term timing). because they are not tuned into the key factors which affect the key factors which affect local values. The Japanese market has proved a particularly severe test in this respect. If active managers get out of line too often they will run the risk of seeing their business poached by the index funds.

Moreover, managers of international funds are by no means

national funds are by no means always pursuing the same objective. Global mandates are comparatively rare, and for ERISA managers non-US mandates are more usual

This is why the new FT-Actuaries World Indices will include various regional and exclusive sub-indices (such as the world excluding the US) to up their own measurement performance assessments, the service.

More positive attitudes, however, are reported from the provide appropriate yardsticks



performance can be tracked fairly easily from published Two Wall Street fams and Britain's Wood MacKenzie dominate International performance measurement

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Funds matched to the stock market index have grown strongly in the US, Britain and Japan

# Surge of interest in passive funds

have taken on a much more sensitive character over the last three years as a result of the upsurge in the popularity of passively managed index- growth of interest in modern matching funds on both sides of portfolio theory and the

the Atlantic and Pacific.

A fund which matches the stock market index sims to give its clients a return in line with the average returns from the market measured by the index. without the manager having to select any stocks or make other investment decisions.

Such funds were started in the US in the mid-1970s in response to the accumulating statistical evidence that most traditional active fund managers achieved returns significantly below the returns on the index. The substantial under-performance of active US fund managers in the three years from 1983 to 1985-there was a small outperformance by the average fund manager in 1986—has led to a boom in passive funds.

In the UK, index funds linked

to the FT-Actuaries All Share index have started to be marketed only in the last three years. As in the US, their growth is connected with the rise of

quantitative methods of analysing the risk and expected return from equity portfolios on which most forms of passive management are based.

The most recent factor behind the success of index funds has been the Big Bang reforms in the London Stock Exchange. These have slashed dealing costs by more than 50 per cent for those investors, such as passive fund managers, require no research or other stockbroking advice.

The most recent country to show an interest in index funds has been Japan. Since late 1985, all the large securities houses have set up their own index funds for Japanese investors, who have become used to excep-tionally poor performances from the investment managers of the invesment trusts and pension funds. Nikko Securities has also set up an index fund investing in the Japanese stock market for foreign investors. The simplest and most popu-

STOCK MARKET indices and measurement services, which lar form of index fund in all their individual constituents have demonstrated a consistent three countries is that which have taken and a much more pattern of underperformance by national stock market as a whole. However international index funds are now being marketed actively in the US, linked to a pre-selected number of foreign stock markets and have

attracted about \$3bn. For example, Wells Fargo Investment Managers in California, the largest index fund managers in the world with \$65bn under management, now has \$600m in its international fund which covers nine stock markets and 650 stocks. An attempt to launch year, however, collapsed.

Whatever index is chosen, professional managers use one of three different methods to

One is complete replication. This involves buying every stock that makes up the index in its correct proportion and maintaining that proportion throughout the year, whenever dividends are paid. This method ensures that the returns on the index are achieved precisely, but only after allowance is made for transaction costs. These costs can add up to as much as 0.4 per cent of assets

Wells Fargo has been able to tuents the index. The more other portfolio investors to reduce these costs substantially sophisticated the analysis, the achieve a full weighting in the on their \$286a. of funds which lower the tracking error of a stocks. fund's actual returns against the match the Standard and Poors index returns. 500 index. Small dividend payments can be reinvested in those stocks which can be bought cheaply from other in-

chosen index which is no more than an approximate barometer of the stock market as a whole. However, once a large amount of money is formally tied to the ups and downs of that barometer, inevitably disputes arise about the constituents of the The most serious disputes

concern stocks such as the two giant telephone utilities in the costs in investing much smaller sums in all the 740 stocks that UK and Japan, both of which have recently been privatised. Although the governments have continued to hold substantial make up the All Share index. The Big Bang reforms in October last year have improved cost takes in the companies, the shares have been given full weightings in the relevant indi-ces as if 100 per cent of the Because of the transaction costs and logistical difficulties of complete replication, most index funds have preferred the method of investing in a sample of stocks that make up the index chosen for their representativeness. The most popular ces as if 100 per cent of the shares were available to investors. Index funds have been under-weight in these stocks and have consequently under-performed the index when their prices have shot up. method of selecting a sample of immediately after the flotation dates. Indeed, part of the price stocks - in the UK market 200 to 300 is the norm — is through an analysis of the historic patterns of volatility of all the constirise has been due to the attempts of index funds and

The influence of index funds has also made itself felt on Some managers have critismaller stocks which suddenly cised the fetish of seeking to match precisely the returns on a strong buying pressures chosen index which is no more because of their inclusion in a widely-followed index.

The greatest buying distortions in share price movements, it is feared, arise from another development in quantitative investment techniques, port folio insurance. This is a technique for creating a synthetic put option on, typically, the stock market index, by switching assets between shares and cash so that investors never suffer a loss in their capital (or only pre-determined maximum loss) even if the stock market

As much as \$80bn in the US is now estimated to be tied up in portfolio insurance schemes which are usually, but not neen always, linked to a passively ocks managed fund. However, the derweight of money switching out heir of shares into cash as the up, market falls (and into shares as it rises) is now so great as to exaggerate stock market swings to a dangerous extent

Cilve Wolman

#### Industrial classifications for the FT-Actuaries World Indices

Financing, insurance and Real Entate 472 Publishing Newspapers 112 Commercial Banks and Other 473 Publishing Newspapers (Correcelte)

122 Financial Services 140 Insurance Life & Agents/Brokers (Composite 141 Instrance—Life 142 Insurance Agents & Brokers 150 Insurance Mutiline/Property

Casualty (Composite)
151 Insurance - Multilling 152 Insurance Property 181 Investment Trusts

vion Oil Energy Source 202 Energy Equipment & Sandces 210 Oil (Composite) 212 Oil—Internationals 213 Oil - Crude Produc

220 Electric and Gas Utilities (Compo-Supply 222 Natural Gas Utilities 223 Telephone Companies

301 Air Transport Carriers 302 Freight Forwarders 303 See Transport 304 Rail & Road Transport Storage, Warehousing ting Transport Services

402 Household Durables & Appliances 406 Diversified Consumer Goods/Ser-410 Textile and Wearing Apperel (Com-

411 Apparel
412 Textile Products 413 Footwear 420 Beverage Manufacturers (Composite) 421 Beverages—Brewers 422 Beverages—Distillers 424 Beverages—Soft Drinks

430 Health & Personal Care (Composne) 431 Health Care 432 Cosmetics 433 Drugs 434 Hospital SupplyManagement

440 Agriculture & Fishing 450 Foods & Grocery Products (Compo-451. Food Processors 452 Food-Sugar/Confectioner

461. Entertainment & Leisure Time 470 Medie (Composite) 471 Printing

474 Broadcasting Media Benies
120 Financial Institutions & Services 475 Advertising
480 Business Services & Computers
480 Business Services & Computers Software/Services (Composite) 481 Business Services 482 Computer Software & Services 490 Retail Trade (Composite) 491 Retail—Department Store 492 Retail-General Merchand 494 Retail-- Drug Chains 495 Retail-Misce Wholesale Trade (Composite)

> 512 Wholesale Nondurables Canada Goods 520 Aerospace/Defence Compos 521 Aerospace/Defence 522 Defence Electronics 523 Aircraft Manufacturers 530 Computers/Communications
> Equipment & Office Equipme
> (Composite) 532 CADICAM/CAE

> 533 Communications Equipment 534 Office Equipment 541 Electrical Equipment (Composite) 560 Machinery & Engineering Services (Composite) 561 Engineering Services 562 Machine Tools 563 Machinery

Machinery Industrial/Spec 571 Auto Parts-Original Equipm 572 Auto Perts—After Market 573 Auto Trucks & Parts 574 Tyre and Rabber Goods

(Composite) 611 Building Materials 612 Ceramics 613 Construction

622 Chemicals (Diversified) 624 Fertisers 630 Mining (Composite) 631 Mining & Extractive I 632 Metal Ore Mining 633 Iron and Stee 634 Non-ferrous Metals 641 Precious Metals & Minerals 650 Forestry and Paper Products (Con

652 Paper and Paper Products

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Separate economic sector groupings

# An index to track industry

AS WELL AS the country indi-ces, which will be calculated worked out in different curren-every night by the Financial cies—local, sterling, and the US Times, there will also be a dollar. And they will be proseries of international industry indices which will be the re-sponsibility of Goldman Sachs and Wood Mackenzie. These, too, will be calculated daily, although it is not the present intention to publish them in the newspaper.

Every constituent of the World index has been placed into one of seven broad economic sector groups: financing, in-surance and real estate; energy; strance and real estate; energy, utilities; transportation and storage; consumer goods and services; capital goods, and basic industries. These broad groupings will be further broken down into some 40 substrance showing sections 40 substrance showi groups, showing sectors such as automobiles, real estate, chemicals or electrical equipment. As with the country indices,

duced on a local as well as a try leader. The new inter-regional and worldwide basis. national indices will provide a Thus it will be possible, for instance, to track the performance of shares in Japanese commercial banks against those in the Pacific region and against an overall world index. The need for such inter-

national comparisons again comes from the broadening horizons of fund managers, and from the increasingly global na-ture of some industries. For example, the strong rise in the price of UK pharmaceutical companies in recent months has been at least partly to do with the fact that they looked cheap relative to their competitors in

broad set of benchmarks for

Allocating shares to the right sub-groups industry obviously been a big exercise, and one which will require further refining. There is great scope for blunders: contrary to US assumptions, Body Shop is not a repair chain for rusty auto-mobiles, but a UK retailer of nice smelly things for females (and males). And some fairly arbitrary decisions have had to be made where large companies have important interests in several different industry sub-

elative to their competitors in groups.

Goldman Sachs and Wood
Fund managers who want to Mackenzie have used their own take a view on the chemical in- analysts to categorise all the

have received much valuable help from the investment management groups on the World Index policy committee and from correspondents in each locai market

house clients without unbalan-

cing the fund. In addition, the

fund derives income from its stock lending to market makers

and speculators who have gone

in the UK, the Frank Russell

fund, which is managed by the stockbroking firm, Quilter Goodison, has faced greater dif-ficulties in keeping down its

control

were abandoned, usually because there were not enough companies to make the exercise meaningful. Further surgery will be necessary in the future, to take account of local changes in the structure of particular industries. This is another case where the

index policy committee is hop-ing that users will play an important part in refining and improving the product. The industry classifications shown with the list of constituents are seen very much as a first shot at a difficult target.

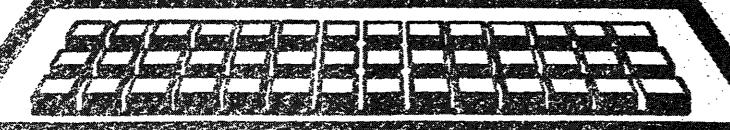
Richard Lambert to follow



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#### London Galleries/William Packer

# Recognition overdue for painters' painters

With a strong entry and a first prize of £25,000 to give unique predicament. And it must be said that he has kept was bound to engender a certain contraverse in this as and well down over recent was bound to engender a cer-tain controversy in this or any year. But, whatever one's feelings concarning the final destination of all that loot, the jury-selected exhibition lately concluded at the Barbican made it very clear that the number of serious contenders extended far beyond the published short-list. It is not to rake over these list. It is not to rake over those cooling embers to say that the short-list itself might very well — perhaps should — have pro-duced another result.

One of the strongest of those truly pupabile (and, with John truly papabile (and, with John Hoyland, the eventual winner, the only other non-figurative and expressionist painter among the final eight) was Basil Beattle. And it so happens that the two artists were exact contemporaries at the Royal Academy Schools in the late 1950s, Beattle's actual entry in the competition was for him, at a mere 6 feet by 5 in conformation with the rules, comparatively small. It is possible to see him now, however, at full stretch at the Curwen Gallery in Windmill Street, off Charlotte Street (until March Charlotte Street (until March 28), where his work quite literally fills the room. The Curwen is not exactly over-large and only four can-wastes have been supered into vasses have been squeezed into the principal, lower space. All of them occupy the wall from floor to ceiling and, at some 31 feet by 12 feet, the two largest are large indeed. But then why not recommission to the same of the second of the s

then why not? These confident and most accomplished works give ample, effective demonstration of an old though too much neglected truth—that the higgest pictures can look marvellous in the smallest space. Beattle is held in high respect by his peers, but his reputation remains more private than public. He is still very much a painter's painter very much a painter's painter and has yet to be paid any-thing like the curatorial attention that is more than his due. while so many of his juniors and inferiors leap straight from college, so it seems, into

8-242. Type

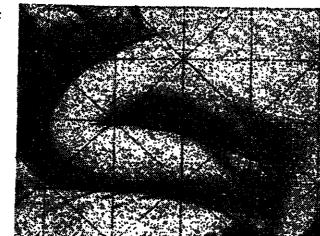
years. His work has been changing and developing, and there have been times when it has gone wrong and he has had to apply himself doggedly to working his way through the difficulty.

Samuel Samuel

But as much is true of most But as much is true of most good artists, for true art must follow its own wayward course. The quality of this new work, in the authority and freedom of its statement, the inventive variety of its imagery and the rich enjoyment of paint and surface, is itself as much the product of that long and testing application as it is of present confident facility. The surface of the canvas, in these largest works, is organised into a losse rectangular grid, rather like a rectangular grid, rather like a wall of open cupboards or pigeon-holes. Each unit is at once quite self-contained, and yet part of the whole, the generous surface rhythm of the paint the surface rhythm of the paint the surface rhythm. paint taking the eye readily from one unit to the next. Sometimes a freely stated graphic figure overlays them all, drawing them formally together and yet floating forward itself into the shallow pic-torial space in front of this curious screen of paint. There is a relaxed and easy vigour to the handling of the paint, whether technical, compositional or imaginative. The colour is more earthy than vivid, muted and low in tone yet oddly rich and clean. The imagery has the sense to it of an improvised and unspecific calligraphy, hieroglyphical perhaps, or pictographic. The stories it tells us we must make the constructions.

The paintings of Ian McCulloch that fill the Odette Gilbert Gallery in Cork Street (until April 4) are, if anything, even larger than those of Basil Beattle. Now in his early of this laborates are the common to the common than the common Beattle. Now in his early wast a surfaces, but such is the fifties, he too has become a vigour of the drawing and the senior artist and, again like idiosyncratic pictorial strength beattle, though he has worked of the imagery that the trick consistently and shown widely is accomplished with what and regularly, is only now might pass for ease. The beginning to achieve a proper bright and simple colour fills

Two weeks ago, in my re-



"Julia" by Victor Newsome

expressionist, but there any consonance falls away for McCulloch's work is of a manifestly figurative and fantastical sort. His paint is thin in appli-cation, remarkably so to sus-tain the imagery across such wast a surfaces, but such is the

recognition. He too is an out the ground against which view of the exhibition Current the essentially graphic images cavort and prance. There is to the imagery a quality of manic theatre, a stage set for demons and goblins to act out their frightful parts upon, figures of nightmare and hallucination.

Affairs at the reopened Museum of Modern Art in Oxford, I made particular and enthusiastic mention of the new works by Paula Rego. Since then an exhibition of more of her recent work, aquatints and works on paper besides other new paint-ings, has opened at the Edward Totah Gallery in Old Burlington Street (until April 4). Again it is a remarkable demonstration by a mature and increasingly

most firmly on the ground. The hittle girls play, if play is the word, with their dogs and other pets. In the splendid series of paintings on paper in the upper gallery they feed and groom and nurse these sometimes comic yet sinisterly anthropomorphic beasts. The larger naintings downsteirs are no less paintings downstairs are no less tion.) Newsome too, just like Beattie, McCullough and Miss and studies of the female head or figure, most of these of the nude. The paintings are in tempera on panel, a deliberate and apparently impersonal medium. There would seem to be nothing at all of expressionism to these cool images of citting and realizing temperature. sitting and reclining women, yet distinguished show by a disand there is nothing like it. by a mature and increasingly tinguished and fascinating Two weeks ago, in my re-influential artist who lays real artist.

imagery, which I remarked a: Oxford, is here sustained and amplified. The unspecific ple-torial space and the graphic, free-floating and fragmentary imagery have disappeared altogether and her figures, now fully realised, have their feet most firmly on the ground. The paintings downstairs are no less sinister but less comic in the equivocal games their subjects play. The atmosphere is as feverish and pregnant as in any early painting by Balthus. It is fascinating stuff.
Finally, a word of recommendation for the exhibition at Mariborough Fine Art of the recent work of Victor Newsome until March 28. (I must declare an interest, for I was concerned in a small way with its preparation.) Newsome too, just like Beattle, McCullough and Miss Rego, was born in 1935 and, again like them, is an artist of considerable standing only now coming into his own. This is his first show in London since 1981 and it is by far his largest. It consists entirely of paintings there must always be the touch of the brush and the move-ment of the hand. The drawings and studies, the most recent of them most of all, show every sign of a robust, direct and unsaffonnsions. unselfconscious consideration that places Newsome much closer than we might at first suspect to the great tradition in western art of the intuitive study of the model. This is a dictinguished show has a dictinguished show

claim to senior standing. The recent development in her

#### Dresden Staatskapelle

#### **Andrew Clements**

brilliance of other great European and American orchestras the virtues of the Dresden and insistently, but allows the uniqueness of its sound to seep steadily into the consciousness. In his review of the Staat-skapelle's first Festival Hall concert a week and Pichard skapelle's first Festival Hall noisy vigour; the quartet of concert a week ago Richard soloists—Karita Mattila, Alfreda Fairman enumerated the salient Hodgson, Keith Lewis, Theo characteristics; when it re- Adam—did not gel perfectly, turned on Friday, for an apthough Adam delivered his pearance under its chief guest opening address with fierce conductor Colin Davis, the authority and Mattila's thrilling orchestra again claimed pride soprano dominated ensembles of place by the easy natural- despite her sometimes cloudy

sistently refused to catch alight, all return very soon.

Alongside the supercharged the watchfulness of the players —a perfectly tuned horn chord here, a pianissimo string line there compelled attention. The Staatskapelle seems positively scherzo preserved absolute low-fi. There is no self-regarding sleekness, no penetrating brilliance; it is not an orchestra that proclaims its quality loudly effortless expressivity from the

ness and instinctively correct pitch. Davis drove the move-blend of its playing.

The concert consisted of charge the first half of the symphony. The experience was not sustainedly majestic nor elevating; absolute calm orchestral controlly the martial music at Davis's reading, fascinatingly trol: the martial music at expressive in part, elusive elsewhere, lacked the urgency and steady accumulation of tension feetly voiced and balanced, to manage that. But it had while the trombones in the succeding stanza produced the kind composite of the provided type one thought orchestrally inspired. Even in of rounded tone one thought the first movement, which perhad vanished for ever. May they

#### Dmitri Alexeev/Elizabeth Hall

#### **David Murray**

The Jazz Warriors/Shaw

Alexeev's recital on Sunday delicious. The first op. 32 as crowned by a massive. "Poème" (which Skryabin rooding performance of Liszt's always included in his recitals) was crowned by a massive. brooding performance of Liszt's minor Sonata. Amid the enveloping gloom, which he even its melodic line, to made dense and almost palpable, the brilliant passages further down the keyboard — flashed briefly and vainly; the a virtuoso's tic which was discreting in the Fifth Sonata too. mous gravity, never magnilo-quence. Alexeev's intensity was sufficient to carry through dramatic pauses of unheard-of mayed to find no mention of dramatic pauses of unheard-of length, and in fact the entire that piece, Skrysbin's "Americourse of the piece was directed with iron control. The coda, grimly stretched out, had the force of a glacial catastrophe.

At the start of the recital, mances can, however, make the Chopin's late Polonaise-Fantaisie had been no less intense, though appropriately Alexeev so exaggerated the gentler; some further touch of languor of the slow sections, and the heetic urgency of the grace was needed, and some and the hectic urgency of the sense of relief at the final fast ones, that the overall struc-peroration. Alexeev delivered a ture crumbled. The number of rich little collection of Skryabin pieces with extreme but idio- alike suggested that his manic matic rubato, sometimes exquisspeed was self-defeating. The sitely: the first of the op. 22 Sonata is of course an Preludes was faultlessly turned. "ecstatic" piece, but not Preludes was faultlessly turned, "ecstatic" and the "Quasi Waltz" was hysterical.

lost its suspended magic, and even its melodic line, to emphatic intrusions from bosh shots at tune and bass

#### Götterdämmerung/Frankfurt

#### **Andrew Clark**

Frankfurt's new Ring — the the allusions she is making in first complete cycle the city has seen for 50 years—can now be judged as a whole, following the arrival of Götterdimmerung earlier this month. her affectionate (and often This final new production of humorous) rejuvenation of the Michael Gleien's 10-year period world of relationships peopled as director shows his team how—by the gods and their offspringing out in undimnished cam—more than compensated for the control of the control throughout these years.

It became instantly clear with Das Rheisgold 16 months ago that this was to be a Ring like no other. The next two parts of the cycle brought some answers to the many questions posed by the approach of Ruth Berghaus and her designer Axel Man-they, and Götterdämmerung although by far the least satisfactory components in this cycle
has further clarified what the production team has tried to do. The main aim appears to have been to strip Wagner's tetralogy of all conventional pomp and Germanic circumpomp and Germanic circumstance and to present it afresh within the frame work of abstract modern theatre, using a new visual language that corresponds to the motifs, strataged on the corresponds of the

and cross-references of the libretto and the score. The problem with any Berghaus staging is that you have to be one of the cognoscenti to understand even a fraction of

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sive and warlike, while the her visual text. In Das Rhein-gold, the second and third acts of Die Walkure and the whole of Siefried, her insights — and her affectionate (and often women pander to them as sex objects: today's sexual stereotypes? Waltraute flutters dis-tractingly around the stage while Brunnhilde sings of her new priorities.

The good things included the Norns, dwarfed in costumes of the globe while fashloning a theatre curtain (a suitably impossible solution for an im-possible scene); the tender realism of the Siegfried-Brunning out in undiminished cam—more than compensated for the globe while fashioning a paigning spirit, offering the the clutter of ideas and offering the stage shock therapy shocks littering the stage impossible solution for an impossible solution for an impossible scene); the tender that have brought the company such extreme reactions of humans, this stimulating stimulating applause and condemnation balance was lost; the insights Siegfried's hulk is kicked unwere swamped by the web of kitsch, cliche and trivial nicety ceremoniously out of the way kitsch, eliché and trivial nicety associated with Berghaus' less successful stagings and which, in a work of the Ring's inexhaustible complexity, should never be allowed to leave the drawing board, the discussion table or the analyby Hagen's cronies during the funeral march, enhancing the massive solemnity of the music and throwing into relief the tragic futility of Wotan's

dearest plans.

One of the production's main assets is the commitment tical treatise. and finesse of all those involved: the Rhinemaidens are A few examples from Götterdimmerung should suffice. The Hall of the Gibichungs is a involved: the Rhinemaidens are just about the most beautiful looking and sounding I have encountered; Barry Mora brings a fine declamatory delivery to Gunther; Manfred Schenk's crisp high bass gives a strong musical profile to Hagen; William Cochran and Catarina Ligenday, as Siegfried and sterile modern lounge, which Siegfried, clad in armour and accompanied by a white statue of Grane, penetrates through a central doorway on the prow of a wooden boat: are we really expected to deduce that this is Ligendza, as Siegfried and Brumhilde, resume their voyage of exhilarating vocal the eruption of an outside force into the world of the bourgeoisie? Gutrune, in stylised evening gown, alternately plays with and discards a rubber dolly: a metaphor for the and dramatic abandon, though

with diminished steadiness. The most consistent and narrow aspirations of modern woman? The men, including Siegfried, are sexually agresrevealing quality of the cycle remains the approach of Gielen a benign spirit in the formation the sunburnt harshness of to whet the appetite for "New and the orchestra: organic, of the Songmakers' Almanac. Falla's Harpsichord Concerto Images of Sound '88."

largely as a result of extreme flexibility of tempo, the clear articulation of instrumental lines and textures, and a remarkable control of dynamic It is unfortunate that, for all the production team's avowed Werktreue, the music in this Götterdämmerung is allowed to pass for so little.

#### Gerald Moore dies

Gerald Moore, who died on the same might be said of Friday at the age of 77, perhaps did more than any New Music concert; but the other planist of this century to establish the art of the accom-panist as a vital element in ecital giving. Though he began his career as a solo performer and also gave due recitals with a distinguish list of instru-mentalists (including Casals). in later life he concentrated upon song and it is a partner voices of the century, from Maggie Tayte, Shalyapin and Hans Hotter, to Schwarzkopf and Fischer-Dieskan that he will be best remembered.

Moore retired from regular concert work in 1967, but continued to record and to appear on special occasions. He wrote and lectured widely; he served as artistic director for South Bank Summer Music, and was

#### New Harmonies/Almeida

#### Max Loppert

The third and last concert (much piquantly shrill wind in the 1987 series of "New doubling of arabesquing melo-Images of Sound" by Music dies). Projects/London was subtitled "The New Harmonies." In a brief introductory address the

Music Projects conductor Richard Bernas indicated that the four pieces chosen for per-formance—by Tristan Murail, John Casken, Jo Kondo and Pascal Dusapin — all offered a distinct (and notably different) approach to the 1980s reconsideration of harmony. In truth, four here were all worth hear-ing, and so Sunday's concert was a stimulating one — as those by Music Projects invari-

In the most substantial and interesting of the four, Casken's Vaganza (first played by the ame band at the 1986 Huddersfield Festival), the harmonies and forms prove to be a quirky, humorous, finely assorted mix-ture of past and present. Mr Bernas characterised the work as a suite (but failed to specify the movements; there was a timbral refinement relative to general paucity of background the other performance); and, information on offer). The endespite a bracing impression semble of 12 plus harp and am- of vigour in the brass writing, plified harpsichord seems to of Dusapin's Hop (British precombine the pungent theatri- miere). But altogether, it was cality of a Weill pit band with a concert sufficiently rewarding

ably are.

There is also a strongly

hinted jazz subtext: in what I took to be the fourth movement, with its spidery tapping-out of percussion against long-held tremolos, the introduction of a saxophone evokes a potent, affectionate fleeting memory of the Modern Jazz Quartet. Even where one fails to divine the overall purpose or "programme," the personal slant of the music and the consistent popular pathway (for blacks) vividness of its imaginative sound-world provide keen

Earlier, Murail's Memoire/ Warriors is not a full-time unit Erosion (conducted by Roger Heaton) had set a solo horn as but plays whenever circum-stances allow. Its concert on the protagonist of a chamber-ensemble cycle in which particular harmonic patterns are exhilarating experience. focused, built up, and then modified in repetition: a piece satisfying in both sound and shape. I made less of Hunnisuccle by Jo Kondo, a drab series of chords (but in this piece one sensed a lack of timbral refinement relative to

> The writing, which is strongly percussive, rivets the March 13-19

of reggae, funk and soul for the more exciting and challeng-ing avenue of jazz. Formed at

was heard, alas, on the solos of saxophonist Courtney Pine (maybe this was because the concert was being recorded for the beginning of last year, the Friday evening (one of two last LP release). The much praised weekend at the Shaw) was an and publicised Pine, not heavily featured, in line with these Warriors who operate as a collective without a single leader, excelled on bass clarinet

Spread across the full stage, the 19 musicians plus singer Cleveland Watkiss gave a programme of original material by, among others Courtney Pine, Fayaz Virjy and John Coltrane ("Giant Steps"). The unusual line-up was five saxophones, flute, three trumpets, two trom-bones, tuba, keyboard, two basses, guitar, drums, percus-sion and vibraphone. Every one of them played a meaningful, involved role in communicating the joyful spirit of the compositions. These were often com-plex, with unexpected changes in tempo and rhythm executed

mentation produces plenty of everyone, musicians included, tonal variations. Much of the in a euphoric state.

man with the mallets, echoing — and excellently — the modern style of Bobby Hutcherson. Echo of a different sort and sopranino rather than his usual tenor-sax.

Of the many others given solo space tenorist Ray Carless, trumpeter Harry Beckett, by many years the oldest Warrior on stage, and Phil Bent who, unusually, plays only flute—not saxophones, were the most eloquent and memorable. Cleveland Watkiss's seated presence near the saxes, sometimes scatting, sometimes vocalising with the sections, seemed redundant. Annoying feedback, always a problem, it seems, when recording as well as in-house equipment is being used, attention with its density of was the only blemish on an texture. Inevitably the instru- evening which clearly left

# Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Tisestra/ Wednesday, Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

#### Opera and Ballet

jungen Werthers, by young German composer Hans-Jürgen von Bose, has Francois Le Roux, Hiklegard has Francois Le Roux, Hildegard Hartwig, Albert Domen, Heinz Kruse and David Knutson in the main parts. Elektra stars Christa Ludwig, Gwyneth Jones, Johanna Meier and Hans Sptin. Le Nozze di Figaro is a joint project between Hamburg and Salzburg – Mozar-

WEST GERMANY

Frankfart, Opera: Benjamin Luxon re-Frankfast, Opera: Benjamin Lawon repeats his performance in the title role of Engen Onegin. Der Freischütz is en swent of more than passing interest with Beatrice Niehoff, Susan Roberts, Walter Raffeiner and Manfred Schenk. Der Rosenkvalier, offered for the last time this season, features Helena Doese, Gail Gilmore and Aage Hangland. Also in the repertory: Le Nozze di Figaro and La Boheme.

Berlin, Deutsche Oper: Katja Kapanowa returns with Karan Armstrong, Ruthild Engert, Patricia Johnson, Stephen Algie and William Neill. Ai-Siephen Algie and William Neill. Arda has fine interpretations by Stefania Toczyska, Giorgio Lamberti and Victor von Halem. La Bohame brings together Rama Kabaivanska, Madelyn Renée, Franco Tagliavini and William Murray, Fidelio, in Jean-Pierre Ponnelle's production has an attractive cast – Deborah Potaki Barbara Vogel, Gard Feldhoff. laski, Barbara Vogel, Gerd Feldhoff, James King – and Heinrich Hollreiser as conductor. The Magic Flute rounds off the week Cologue, Opera: Tannhäuser, produced by Ernst Poetigen will have its premiere this week. The cast is led by Nadine Secunde, Matthias Hölle, Klaus König, Wolfgang Dren-del, Josef Protschka and Ulrich Hielscher. Elektra has a particulary strong cast with Helga Dernesch, Janis Martin, Nadine Secunde, Udo Holdorf and Harald Stamm. Also in the same week Der Barbier von Se-

Carlos features Mara Zampieri, Bruna Baglioni, Jewgenij Nesteren-ko, Giacomo Aragall and Piero Cap-pucilli. Des Rheingold, produced by Nikolaus Lahnhoff, will have its premiere this week. The main parts are sung by Marjana Lipovsek, Na-dine Secunde, Hanna Schwarz, Jo-sef Hopferwieser, Jam Hendrik Roo-sef Hopferwieser, Jam Hendrik Rootering and Kurt Moll. Also Made Butterfly, sung in Italian, with Raina Kabeivanska, Gudrun Wewezow

#### LONDOK

Royal Opera, Covent Garden: The re-vival of Jean-Louis Martinoty's dis-tressingly over-fussy Ariadne and Name brings back Ann Murray as the Composer, and introduces to London Anna Tomowa-Sintow's Ariadne, Edita Gruberova's Zerbinetta, and William Johns's Bacchus, Colin Davis, returning to the house of which he was until recently musical director, is

English National Opera Colissum: Jon-sthan Miller's updating of Tosca to the final phase of Mussolini's Fascist rule in Italy is one of his least successful ENO productions. Phyllis Cannan now takes the title role, and Albert Rosen conducts. Another Miller reworking, the non-lepanese Mikado, is a much happier show – the whole company plays with great zest, and in leading roles Ann Howard, Susan Bullock, Bonaventura Bottone, and Eric Idle (Ko-Ko) are wonderfully engaging.

Royal Opera House, Covent Garden: Royal Ballet in Swan Lake.

#### ITALY

filan: Teatro alla Scala: Un Ballo in Maschera conducted by Gianandrea Gavazzeni and directed by Sandro Semi, with scenery and costumes by Giuseppe Crisolini Malatesta.

Rome: Testro dell'Opera: Macheth, with Renato Bruson in the title role and Shirley Verrett as Lady Macheth. Giuseppe Patane conducts and Glorgio Pressburger directs; Don Carlo directed by Alberto Eassini (based on Luchino Visconti's production) and conducted by Gastav Kuhn. The cast includes Katia Ricciarelli. Renato Bruson and Luis Liciarelli. ciarelli, Renato Bruson and Luis Lima. (46 17 55).

Genova: Teatro Margherita: The 1983 Pesaro Festival production of Il Tur-co in Italia conducted by Peter Ma-ag with Luciana Serra, Enzo Dara and Alessandro Corbelli (589 329). Bologna: Teatro Comunale: Fidelio, conducted by Roif Reuter and di-rected by Flippo Sanjust, who also designed the scenery and costumes. The cast includes Ingrid Haubold, Evich Knodt and Reiner Goldberg. (520000)

Palermo: Politeama Garibaldi: Faust conducted by Reynald Giovaninetti, with Cristina Rubin, Helene Perra-guini and David Rendall. (584334). rieste: Teatro Comunale Giuseppe Verdi: La Fiamma conducted by Maurizio Arena and directed by Carlo Maestrini (631948).

#### PARIS

Bellini's I Peritant: The Welsh Nation al Opera's production sets the ro-mantic action against a background mantic action against a background of fortifications, and towers which evoke the feeling of danger, thus making Etvira's folly credible. Opera Comique (42960611)

Don Giovanni conducted by Sylvain Cambreling in Brussels National Opera production with Jose van Dam, Ashley Putnam and Stuart Burrows. TMP-Châtélét. (423300)

Cinderella alternates with Ptřístie.

Cinderella alternates with l'Elisir d'Amore with Don Carlo conducted by Lothar Zagrosek with Bruno Bec-ceria/Taro Ichichara in the title role with Daniela Dessi as Elisabeth de Valois and Grace Bumbry as Princess Eboli. Paris Opera (4266 5022) allet Moisseiev celebrates its 50th anniversary with a suite of old Rus-

gian dances - partisan fighters, a day on a boat, a winter celebration. Palais des Congres (47420744)
Dario Fo, with the Netherlands Philharmonic conducted by Richard Buckley. Zehava Gal (Rosina), Frank Lopardo (Almaviva), and J. Patrick Raftery (Figaro) (Mon. Wed). The Netherlands Opera production of Der Rosenkavalier by Richard Strauss directed by John Cox.

**NETHER! ANDS** 

Amsterdam, Muziektheater. The Barber of Seville from the Netherlands Opera, directed and designed by Hartmut Hanechen conducting the Rotterdam Philharmonic, with Ra-chel Yakar, John Tomlinson, Susan Quittneyer and Derek Hammond Stroud (Tue) (255455).

cheveningen, Circus Theatre. The Royal Ballet of Flanders with The Idiot (Panov/Shostakovich) (Mon, Tue). The Nederlands Dans Theater with Frankenstein (Kylian/Gru-berk), Wiegelied (Kylian/Berg) and Uccelli (Duato/Respighi) (Thur).

Rindhoven, Schouwburg. The Nederlands Dans Theater with Frankenstein (Kylian/Gruber), Wiegelied (Kylian/Berg) and Uccelli (Duato/Respighi) (Wed). (111122).

Modern American dance performed by Bill T. Jones/Arnie Zane & Co. Mon and Tue in Amsterdam, Carré (225225). Wed in Heerlen, Schouwburg (716867), Thur in The Hague.

Medicklithe Schouwburg (486450)

Koninklijke Schouwburg (469450).

#### NEW YORK

ropelitza Opera (Opera House): The week features Turandot con-ducted by James Levine in Franco Zeffirelli's production with Eva Mar-ton, Piacido Domingo and John Macurdy; Boris Godunov conducted by James Conlon in August Everding's production with Stefka Mine-va, Martti Talvela, Paul Plishka and Sergei Koptchak; Carmen conducted by James Levine in Sir Peter Half's production with Agnes Baltsa, Gabriela Benackova and Samuel Ramey; and Manon conducted by Manuel Rosenthal in Jean-Pierre Ponnelle's production with Cather-ine Malfitano, Neil Shicoff, David Holloway and Spiro Malas. Lincoln

#### Saleroom/Antony Thorncroft

#### Christie's goes modern

record for a work of art, or over record for a work of a work or over record for a work or over record for a work of a work of a work of a work or over record for a work of a work of a work or over record for a work of a work or over record for a work or which it will sell in London, New York and Amsterdam over

banker and as an art collector. Until recently he exhibited his collection in the Banque The highest prices, around and Elizabeth Frink.

Christie's has traditionally £1m, are expected for three played second fiddle to figures by Giacometti, to be Sotheby's in the sale of Impressold at New York in May 12. sionist and modern pictures. On May 5 the saleroom will But it seems to have stolen a offer "Study for a portrait" by lead in the early months of Bacon, estimated at around 1987. On March 30 it confidently £500,000, and a Mark Rothko expects to establish an auction "Yellow, white, blue over record for a work of art, of over yellow on grey" for about the

seeks to raise £5m in order to hang its wonderful collection the next few months.

Leon Lambert, a great grandson of James de Rothschild,
has spant lifetimes in style in its designated new home, Somerset
House. So far £3.5m has been has spent a lifetime as a raised, and there are two years left to find the remainder. The auction should help.

Among the givers is the late Lambert in Brussels. The 200plus lots could bring in over 1978 acrylic "\$," There is a
£15m. They include works by
Chagall, Bonnard, Picasso and paintings, including works by Chagall, Bonnard, Picasso and paintings, including works by Delvaux from an earlier period, Kokoschka, de Kooning, Guston, and from Rothko, Stella, Ells- and Woodrow. Also on offer worth Kelly and Morris Louis are contributions from Hockfrom the Baron's personal taste. ney, Bridget Riley, Hodgkin,



**(**:

Index 1974=100

CAPACITY:

hot rolled steel

- EFFICIENCY

#### **FINANCIAL TIMES**

Telegrams: Finantimo, London PS4. Telex: 8954871 Telephone; 01-2488000

Tuesday March 17 1987

analysts question this new com-placency. The US economy may appear to be progressing

smoothly, they argue; but this

is progress along a tightrope.
US corporations and private

citizens are just as bdly over-burdened with debt as is their

government, and they are still

more dangerously dependent on steady growth to meet their obligations. Any faltering in the income flow could produce the kind of wave of defaults already seen in the US farm sector and in the ull states.

already seen in the US farm sector and in the oil states.

Consumers, at least, seem by now to be aware of their own problems. The growth of consumer borrowing has fallen steeply since last autumn, and consumer confidence survey.

consumer confidence surveys now show a very cautious out-

While net savings are still at

a historic low, this does sugges

flects a portfolio adjustment of quite a different kind: the mas-

sive substitution of debt for equity which has resulted from

prospectuses for many recent debt issues; the borrowers plan

to square their books through further reorganisation or sales of physical assets.

This does not mean that the whole US economic problem will fade away of its own accord; for once debt is stabilised, the real root problem will

become still more starkly visible: the precipitate fall in

has most sharply contradicted the supply-side theories which the President has been trying

to put into practice, and largely

explains the US need for foreign savings (the reflection

in the capital account of the

The most reasonable explan

ation of this trend is demo-graphic: the US retirement

boom is much less pronounced

than that forecast for Germany

and Japan, or even for the UK

which has east such a shadov

over policy-making in these

countries; but it has happened

both reassurance for the near

current account deficit).

rsonal saving. It is this which

# Demography and US debt

TWO OF the most persistently wrong economic forecasts of recent years have been that the German economy was on the edge of a boom—the reward of tight fiscal management, detight instal management, we signed to remove burdens from the private economy—and that the US economy, burdened with debt, would lurch into a dangerous recession. In terms of consumer welfare, this may well prove partly true; German real incomes are at a peak, while in the US retail sales are flat. However, economic activity does not appear to develop according to the rules of a morality play.

On the contrary, confidence in the prospects for US industry has been growing strongly in recent months, and is now reflected in a strong surge of orders and a steady growth of output. The con-sensus forecast is that growth. will rise to an annual rate of nearly 4 per cent in the second half of 1987, led by exports and

#### Right direction

In the US, as in the UK, much of this surge of confidence is the result of currency depreciaand the result, in both currency. Although there is still a probably dominant school of thought which holds that the dollar has still not fallen far enough fully to restore US com-petitiveness, the attractions of Wall Street and the current level of US interest rates have been enough to restore the flows of private external finance which faltered for a time during

As a result, investors have also become much less con-cerned about their previous bug-bear — the US fiscal deficit. Where it was once feared that only a savage deflation could correct the excesses of Mr Reagan's tax cuts, it is now fashionable to hope that the revival of growth will close the does not seem at all demanding about the timetable, as long as it remains satisfied that the trends are in the right direction. Even the news last week that Congress is seriously thinking about slowing down the Gramm-Rudman schedule for deficit reduction caused no

# The CBI and its members

All the same, some financial for the longer term

week of a new director-general at the Confederation of British Industry, Mr John Banham, has coincided rather unluckily with the defection of one of the CBI's important Midlands-based manufacturing members, Lucas Industries. The company says it is not satisfied with the CBI's ability to represent the manufacturing sector in its dealings with central government; Lucas thinks that on such issues as skill shortages it will do better arguing its own case to government departments than work-

This is not a new problem for the CBI, which in recent years has greatly extended its membership in the non-manufacturing sector, including retailing and financial services; since Lucas has not been especially active in CBI affairs, its densitive is probably not a its departure is probably not a great blow. Moreover the CBI strenuously contests the company's allegations, pointing to several successful programmes and campaigns which have been specifically designed to help manufacturing industry. Nevertheless, the resignation does focus attention on how best companies can get their views across to government and how well the CBI is organised to act on their behalf.

#### Conflicting interests

When the CBI was created in 1965, out of a merger between the Federation of Bri-tish Industries and two other employer bodies, its member-ship was confined to manufacturing, transport and construction. But the organiation gradually came to see itself as the spokesman for industry and commerce. Over the ensuing two decades it has tions. If the CBI did not exist stiracted support from a wide as an umbrella body, it would range of service industries be necessary to invent it. No including banking, insurance and the distributive trades; started from scratch, the CBI nationalised industries (some of them now restored to the private sector) were also there be the bewildering array brought in. Although the CBI's of overlapping and often comheartland remains manufacturing, the widening membership has inevitably obliged pose a Devlin-type reform of the CBI to straddle sometimes conflicting interests among its extent that companies are un-

mess was made in the early CBI in particular, it reflects 1970s by a commission of their failure to influence more inquiry under Lord Devlin. The energetically how these bodies Devlin report pointed to a are organised and run.

"mild but widespread discon-tent" with the proliferation of associations in the system. "A businessman," the report said, "can find himself paying out substantial sums to quite a number of different bodies without being at all sure what he gets in exchange." The recommendations included a merger between the CBI and the Association of British Chambers of Commerce to form a Confederation of British Busiss. It also suggested that the role of trade associations and employers' organisations within the CBI should be increased and that of individual companies reduced. However, trade association structure

rationalisation has taken place, the great tidying-up which Devlin envisaged did not happen.

Does it matter? At the time Devlin reported (in 1972) there was a more corporatist atmosphere than exists in the UK at present. It was widely assumed that employers needed to band together in representative organisations so as to engage in a dialogue with government and trade unions. The present British Government has little time for tripartism of this

seems to be even more resistant

to change than most other areas

of British life. Although some

Yet even if the era of tri-partism is well and truly over, most companies do find value in belonging to an organisation which represents their interests collectively and which provides certain common services; for the great majority, it is not the great majority, it is not enough simply to belong to one or more sectoral trade associawould not be created in exactly its present form, nor would there be the bewildering array

the entire system. But to the happy with the trade association An attempt to sort out the structure in general or with the

A and self - sacrifice, Europe's biggest steel companies are again staring into the barrel of a gun.

The EEC's 12 industry ministers are to meet in Brussels on Thursday faced with two fundamentally opposed positions on the steel sector's future.

One option is to back the European Commission, which after years of special assistance and quota restrictions on the types and amounts of steel that European companies produce, wants to sweep away the quotas in a decisive act of liberalisa-

tion.

The alternative is for ministers to support a plan proposed in some desperation by Eurofer, the club of 22 big integrated steel companies, to remove a further 15m tonnes of the industry's 140m tonnes of annual capacity. In return Eurofer wants ministers to postpone until 1990 the abolition of production controls.

Between these two formal positions, there is doubless room to compromise. Some think the Commission only took such a strong line in the know ledge that it would force a voluntary capacity - reduction programme out of Eurofer. And while the Commission has publicly given a very sceptical reaction to the Eurofer plan, there have been hints from officials that some extension of omcals that some extension to quotas might be possible. But the big issue for ministers—some of whose governments, notably Chan-

cellor Helmut Kohl's recently re-elected conservative admini stration in Bonn, are increas-ingly restive about steel aid that the situation will not become very much more ex-posed than it already is.

The rise in corporate debt reis whether either Eurofer's gentle downward slope or the commission's sharp step really offers the prospect of stability and strength in an industry which has been in the Community's intensive care departthe takeover boom. Much of this debt is explicitly temporary, as has been explained in the ment for almost a decade.

The Commission's case is

doubtless in part based upon sheer wariness at the industry's frustrating inability to return to health in spite of the apparatus of protection. But it also reflects a sense that seven years after the inauguration of the Davignon estructuring plan, it is time to allow a freer if still not free market to complete the reshaping process.

There is also a suspicion that the latest flood of red ink in the industry's profit and loss accounts has more to do with the shortcomings of the Euro-pean steel companies commer-cial strategies than with the threat from Japan or newly industrialised countries, whose low-cost competition provided some of the impetus for the Davignon plan. In so far as there is an external threat this time round, it is from the US producers, whose export poten-tial has risen with the falling dollar at a time when their home market is still protected against European competition

"I accept that we have lost export markets even more rapidly than foreseen, but I must set limits on those who earlier, If this is the true just want a pretext for un-limited cartelisation," says Mr Karl-Heinz Narjes, the Industry

> The Davignon plan, he can point out, has already cost member governments Ecu 30bn (£20.4bn), cut capacity over 171m tonnes to 140m tonnes and led to the loss of 250,000 jobs. In spite of all at only 70 per cent of capacity; the Commission believes it needs to achieve 80 per cent to ensure profitability. At Thursday's meeting, how

EUROPE'S STEEL INDUSTRY

# Another crisis, another plan

By Peter Bruce, William Dawkins, Nick Garnett and John Wyles

ever, the Commission will not be arguing its case in isolation. Its most obvious allies in seek-ing a market-based solution are enjoying a fitful price war. They argue that the competitiveness of European manufactured goods in foreign markets requires lower steel prices. Equally threatening to the Eurofer case is the fact that it speaks for only 60 per cent of EEC steel production and a number of the non-members (although by no means all) are keen to see an end to quotas. The smaller scale, independent steelmakers of Brescia, in northern Italy, for example, who make steel from scrap in

has been worked out with the aid of accountants Peat Mar-In return for the closures, Eurofer wants an unspecified amount of cash for compensation and the continuation of tough import controls against non-EEC steels.
Euroter's capacity cuts would be shared out through voluntary closures identified by Peat Marwick during a tour of 35 steel producers. Thirteen of

much new capacity had come into production.

Davignon permitted state aid only in return for promises of capacity ents, set production quotas for 85 per cent of Community Steel out-put and stipulated minimum

prices. The Commission now believes that the industry has recovered enough for the

regime to be wound down and has reduced the propertion of output subject to controls to 60 per cent, with the aim of

scrapping quotas entirely by the end of the year.

Eligibility for aid has, since late 1985, been confined to areas such as en-

vironmental improvements and research and develop-

EUROPE'S steel industry has been subject to government control since the formation of the European Coal and Steel Community (ECSC) in 1954. This aimed at dismantling internal barriers to free trade in steel, outlawing discriminatory pricing and banning state aid except in cases of "manifest crisis." There has since been a

and steel producers to regulate the industry, culminating with the Davignon crists regime in 1980. Named after Viscount Etlenne Davignon, former Industry Commissioner, that was designed to help the industry restructure its way out of its worst re-cession since the launch of the ECSC, at a time when

electric arc furnaces — a flex-

ible, low-cost process — are longstanding opponents of the quota system, along with a few

In spite of or perhaps because

of the vigour of the case against it, Eurofer has acted with a co-

herence and decisiveness which

have not always marked its be-

haviour. The Commission's plan will be a disaster if it goes through, says Mr Sergio

Magliola, managing director of Finsider, the Italian state steel company. "We shall have wasted all of the work of the past few years."

More subtly, Mr Phillippe

Choppin de Janvry, inter-national operations director for

Sacilor and Usinor of France,

makes the case for a transfer of

the Davignon restructuring pro-

parts of the Community.

operators in other

closely guarded secret, as is the split between Eurofer and non-Eurofer cuts.

However, the largest category offered up for sacrifice from the 15m-tonnes total is wire rod, ironically one sector where independents are dominant and where 3.9m tonnes of closures are identified. But the plan's biggest weakness is that it does not at this stage mention any cuts in hot rolled coil output, where overcapacity is heaviest but which is most difficult to close because the sector includes the largest steel plants in Europe.

Dominated by Eurofer mem-

bers, hot rolled coil is the source of steel sheet for cars and white shoots and is now the subject of urgent negotiations ments in a final bid to earmark

"No longer can you reshape difficulties, even assuming that the European steel industry Europer members can agree with decisions made by a few with each other and with natechnocrats in Brussels. That tional governments on accept-worked a few years ago. But able candidates for closure. The now that we have given up our most obvious is the social and regional impact of steel clowill be right at the heart of the company. That means that if Davignon plan from the start.

north France, and Solmer, near Marseilles. This makes it difficult to ease the impact of job

those are non-Eurofer mem-bers. Just how much is being offered by each company is a and high unemployment; equally, though, there is no doubt that the Bavarian govern-ment would fight, probably with equal success, to save Kloeckner-Werke's Maxhuette works, which with 1.3m tonnes a year of raw steel capacity is often cited as an ideal candi-date for closure since it competes chiefly against the efficient Bresciani in the market for con-

When it comes to non-Eurofer

But all this begs the question

merchant bars, used in the engineering and construction

Kriwet, chairman of Thyssen Stahl, the biggest German pro-ducer, "neither the Commisnor national governments can say how much over-capacity exists in steel." Thyssen, which is heading for losses this year after two years of healthy 6,000 job cuts in its plate and wire rod divisions.

The Germans' deepest fear is will cause such alarm in some member countries, that there will be a renewed rash of back-door and illegal national sup-

we are to make more reductions, we need a more co-operative system."

The detail of Eurofer's plan for a 15m tonne cut in capacity ites at Sollac and Dunkirk, in the part of the control of the part of the control of Likewise in Italy the most logical rolling mill to close is

the Bagnoli plant in Naples, since it is operating at half nominal capacity. But Naples is an area of chronically high memployment.

The politics of such closures are clearly problematic. Wast Germany's Sanstahl is probably protected by its location in an area of industrial devastation.

producers, the apportionment of misery becomes almost intractable. The European Independent Steelworks Association. dent Steelworks Association (Eisa), representing 70 small. mainly Italian companies, has already branded Eurofer's plan

ance: will the European steel industry, even with a further 15m tonnes of capacity removed, genuinely be in a position to stand on its own feet in 1990, when Eurofer agrees quotas should end? Or is the Com-munity being asked to underwrite another costly round of rotection, which will lead later in the decade to yet another?
The Commission's blunt answer is that Eurofer has underestimated the need for

cuts by about 5m tonnes. Most of these cuts, the Commission says, are needed in products where Eurofer members are dominant-hot rolled coll and

that the Community will dis-mantle quotas at a speed which

schemes for steel of the Whether that will provide a kind which prompted the Davignon scheme in the first basis for the industry to recover is another question. Although European technology place. With the anti-subsidy FDP influence in Chancellor Kohl's coalition strengthened since the January election, they worry that Germany will disarm

new subsidies.
"The federal government shows no interest in providing the German steel industry with financial support," says Dr Gerhard Cromme, chairman of

in steel at a time when REC competitors are rearming with

Rrupp Stahl.

Britain's independent producers, still weak after a decade of dramatic reorganisation, share this fear of an unsympathetic government. "Subsidised European competi-"No one," snaps Dr Heinz tors could make mincement of iwet chairman of Thyssen our members," says Mr Iarl ahl, the biggest German prodent Steel Producers Association.

Whether the Community and indeed the Commission really have the stomach for a return

and productivity are probably now close to the standard of Japanese steelmakers, European costs are higher than those of competitors in other newly industrialised countries. The very surfect of global steel expacity guarantees that there will be no early move to dismantle European trade barriers against foreign steel.

21.4

In the short term, however, the big players in the industry appear to have accepted the need to take responsibility for further restructuring.

They are also pinning their hopes on a round of price increases planned for April 1. "These will show that the big west European producers are perfectly capable of agreeing on pricing policies appropriate to their cosis," says Dr Kriwet. With prices for most types of steel now between 10 per be a matter of considerable target prices set by the main producers early last year, this it is more likely that faced may seem a forlorn hope. Perwith an industry-spensored haps Dr Kriwet overlooked the continuation of the Davignon fact that April I is All Fools process, ministers will prefer Day when, in Britain at least, the prospect of the gentle any statement or event of the decline rather than the sharp morning is certain to be exposed by noon as a hear or a fancy.

11 11 11

#### **Bozer tries to** talk Turkey

Turkey's efforts to join the European Community are being

stepped up.
I hear from Ankara that an application for full membership will probably be made before the Danish presidency of the EEC starts in July.

That does not, of course, mean that the Twelve will became the Thirteen in quicktime. Some 10 years elapsed between the filing of member-ship applications by Spain and Portugal and their eventual admission. But there is a feeling that a less ponderous time-table might be written for Turkey in view of its exposed osition as the eastern bastion

Back in Ankara, Ali Bozer, Turkey's minister for relations with the European Community, must be feeling that his own relations with the Turkish Foreign Ministry could do with some improvement. Last December he was dis-

"Judging by the crime figures he risks getting magged before he gets to the

#### **Men and Matters**

patched to the capital cities of the EEC, on the eve of the Christmas holidays, with the

ing in Ankara of Turkey's ambassadors to EEC countries, a meeting intended to coordinate policy about an early application, were intrigued to see an empty chair. It was there for Bozer—but the foreign ministry had failed to invite

humiliation.

him. Bozer's mission continues however, in spite of less whole hearted co-operation from his colleagues than he might wish.

trailed from country to country

that his visit could not have been worse-timed.

Now Bozer, who has a staff of just two as his ministry, has

eceived an even more galling

Journalists covering a meet-

Staying together

Desmond Quigley, until recently a director of Streets Financial, the City public rela tions group, has been given the ultimate compliment by one of his clients, British & Commonwealth Holdings.

B&C, which is rapidly being turned into a broadly-based financial services and industrial group by its new chief execu-tive, John Gunn, yesterday said it is taking a 25 per cent stake in Quigley & Associates, the financial consultancy estab-lished by Quigley last October.

Gunn is continuing his policy of backing people who worked with him in his early days of establishing Exco International as a major UK money broking group. Quigley advised Gunn But the emergence of a defined then, and stayed in touch after minority group is an important

thankless task of trying to convince the 12 of the case for Turkey's entry

He was fold in rather less than diplomatic terms as he ments by B&C which have taken it into advertising, leasing finance, and stockbroking.

Quigley, aged 39, says B&C will remain at arms length from its investment, which numbers Barings, the merchant bank, Harrisons & Crossield, the trading group, and printers St Ives, among its clients.

#### Lee's new face

Martin Lee, the Hong Kong barrister, legislative councillor, and civil rights champion, has staked his claim in the last few days to being the unofficial leader of the colony's fledgling

political opposition.

The history books may remember him as the man who introduced adversarial politics into the once comfortable world of consensus politics that has been the pattern for Hong Kong Mainland Chinese officials in

the territory, who already are anxious about the possibility of direct elections coming as a result of electoral reforms have result of electoral reforms, have been watching the recent developments with chagrin.

The consensus system has been to their liking, Indeed, they have signalled that they would prefer the system to remain intest beyond 1997 when Peking regains sovereignty of the territory.

the territory.

Lee's opposition group is, as yet, quite modest. Just eight other legislative councillors voted with him the other day out of a council of 56 members. Gunn quit Exco in a board-development in its own right-room bust-up in November and their skills in fillbustering

have already been shown to be formidable. They forced a full vote in the chamber for the first time in the council's recent history.

The occasion was a long and that some thought might, in the future, be used as a gag on the press. Knives were out on all sides—with personal attacks, purple prose, and a great deal of playing to the gallery.

One observer was moved to

say it was more in the West-minster tradition than that of Hong Kong where, until now, "saving face" has been all-important.

#### Healey's rocket

Richard Perle, the Pentagon hardliner who resigned last week, has long had a quibble with the British Labour politician Denis Healey for the suggestion that he, Perle, was known throughout Washington as the Prince of Darkness. Not so, says Perle that sobriquet was first coined for Robert Novak, a well-known journalist But by dint of repe-tition by Healey and others the

Perie, however, has always been adept at geeting his own back. By way of illustrating Healey's fierible track record on nuclear weapons he recently regaled British journalists with a story about Healey as the incoming Labour defence minister in 1964. Healey demanded to know

name came to stick fast to

how much had been spent on Polaris. "Ten per cent, min-"Just as I thought," said Healey, "Past the point of no Healey.

Party's over now

Meanwhile, two Labour Party members of Parliament have been overhead commiserating with each other over recent reverses, "Call it a party—its turning into a wake . . ."

Observer

# THE HISTORY OF **BRITAIN ACCORDING TO PUNCH?** THEY MUST BE **JOKING.**



Angelina: "YES, DARLING?" Deing, Darling, Only <u>Darling</u>, Darling!"

Every week for five weeks, Punch is giving away a serialised Cartoon History of Britain with each issue.

This unique historical part-work covers the reigns of Queen Victoria, Edward VII, George V, George VI and Oncen Elizabeth II. Collect them at all good newsagents with your very own copy of Punch.

The second secon

THE GOVERNMENT'S image THE GOVERNMENT'S image is of a manufacturing industry reborn—underprinned by a productivity miracle and poised to win back long-surrendered overseas markets to plug the 16th gap left in Britain's trade balance by a collapsing oil

医海黄溶液 

It is a picture that has been nurtured by the "booming Britain" stories which have greeted recent upbeat surveys from the Confederation of British Industry and the Institute of Directors. There is no doubt that times

are better: manufacturing out-put is rising strongly; profits are buoyant and export pros-pects in particular are looking pects in particular are looking up as a result of sterling's fall. On the ground, however, the image has a different focus. The captains of industry have been too scarred by memories of the early 1980s to indulge in easy euphoria. Overall manufacturing output is still around 5 per cent below its 1979 level. Unlike politicians and economic forecasters, industrialists seem unwilling to project their pre-

unwilling to project their pre-sent good fortune into an indefinite faure.

The undoubted recovery in confidence as order books begin to fill is still tempered with caution; it has yet to translate into ambifious arrows and are into ambitious expansion plans. The boom in London and parts of the South East takes on a different perspective in Leicester or Burnley.
Of course, many of the themes are the same—a wel-

themes are the pound's deprecia-come for the pound's deprecia-tion, complaints about high interest rates and under-hand protectionism in Japan and Europe, support for the Government's progressive weakening of trade union

Rationalisation, demanning, replacing men with machines is seen as inevitable and necessary progress; the failure to do so in the 1960s and 1970s as in large part the cause of the subsequent collapse. It is almost as if the enforced dieting of 1980 and 1981 has brought emorenia in its wake.

Mr. Lauren's decision in 1984 But it is on the key issues of pay, productivity and investment that the message from conversations with a dozen or so industrialists is most interesting—and most at odds with the current wisdom in Whitehall. Whitehall

It is striking how few people fo dilute the incentive to hivest provided by 100 per cent first-year capital allowances is viewed by the majority as Luddite, the Government's strictures on annual pay deals as out of touch with the marketplace. in manufacturing industry are prepared to blame the Govern-ment for the massive shake-out of the early 1980s, when Britain lost around 15 per cent of its

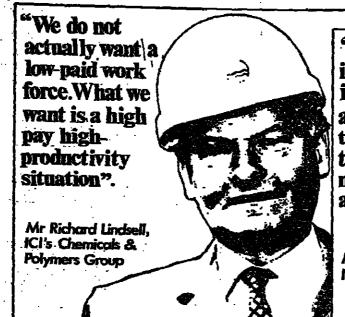
manufacturing output.

The view now is that although the surge in the exchange rate was the catalyst, much of the rationalisation was probably inevitable—a necessary penance for the excesses of the previous

wanting to pay their workers more than they need to, and most talk of the more realistic environment bred by the weakening of trade unions which accompanied the recession.

But industrialists can still By the same token industri-alists seem little inclined to heed the Government's advice on how to run their businesses now, Those like Mr Nigel Lawson, the Chancellor, who believe that economic salvation lies in lower pay deals and more labour-intensive production find few echoes in company board-

With the Chancellor poised to deliver a 'booming Britain' Budget speech, Philip Stephens discovers that the view in the manufacturing heartlands is more cautious, even contrary



Richardson Sheffield one of

the few surviving cutilery pro-ducers, paid its shop-floor workers an extra 6 per cent in a settlement covering just nine months of last year.

Mr Bryan Upton, the managing director, does not see that as a mark of failure or management weakness—rather a reflection of Richardson's ability to thrive in a highly competitive

"We have to be fair to our workers. A business without workers doesn't rim. You have to look after people without being silly," he says. And since property of the people without being silly."

Richardson, with markets in 90 countries for its taser kitchen knives, has just picked up another Queen's award for

The company's production workers are in any event hardly overpaid. The lower grades are on around £90 per week. At those sorts of rates, Mr Upton

says, he has to take account of things like the recent tripling of Sheffield's bus fares. This rather strange blend of

morality and self-interest in the

minds of industrialists surfaces again and again.

Mr Tom Clark, once dubbed Mr Wonderful by Mrs Margaret Thatcher and the recent victor in a hitter strike as obtaining of

in a bitter strike as chairman of Silentnight, gives a typical response. The company's main operations in furniture and bed

production are clustered around Coine in Lancashire, an area

export it is hard to argue.

"The level of investment is too low. Industry is revaluing old assets through takeovers rather than pumping money into new assets".

Mr Christopher Haskins, Northern Foods



# Not yet a time to rejoice

with over 13 per cent unemploy-

He says that he would eventually like to see pay deals linked entirely to productivity but in the meantime he has to be realistic. "I would like to see settlements lower but we cannot afford to lose labour."
Though classed as unskilled, the bulk of Silentnight's workers could not be easily replaced

from the dole queues without losses in productivity.

A thread running through virtually every interview was the need to improve the quality

of the workforce. "We pay com-petitive rates to attract the right quality of workers. There is a continuous process of going for a higher quality of employee," says Mr Lindsell at ICL

The C & P division's 39,000 workers have seen their earnings rise in line with the industrial average over the past few years—2 or 3 points above the inflation rate. That does not seem to be a cause for concern because of the parallel strides

in productivity.
The link between pay, upgrading skills and productivity

Mr Christopher Haskins, chairman of Northern Foods, puts the case succinctly. "As a principle there is nothing

wrong with paying more than the inflation rate... If you are profitable and progressive you should pay more. It is the quid pro quo for rationalisation, for reducing numbers."

Businessmen are conscious that although earnings have been rising strongly over the past few years, the level of wages in Britain is still significantly lower than in most of its main industrial competitors.
In Mr Haskins' mind it is the investment gap betwere Britain and other developed countries that counts. "The level of investment is too low. Industry is revaluing old assets through takeovers rather than pumping money into new assets."

More investment is seen as a key to generating more produc-tivity gains. In a sense the pro-ductivity "miracle" of the last few years was the easy part-much of it can be attributed to shutting inefficient capacity and shaking out the overmanning of the 1970s.

If industry is leaner and fitter now, then raising productivity will depend much more on more efficient production methods, on

is apparently unbreakable. For Leamington-based clutch and most industrialists, productivity brake manufacturer, has more means two things—fewer than halved its workforce to workers and more investment. years.

> Alongside has been a surge in productivity growth, although output is still perhaps 20 per cent below 1979 levels. Mr Peter Crawford, AP's managing director, believes that maintaining the same pace of advance will now depend on increased capi-tal spending: "If this Govern-ment wants to help industry to get off its backside it should really help it to invest."

Industrialists are not, however, unaware of the need to invest wisely as well as substantially. Mr Allan Nightingale, managing director of Courtaulds Textiles Group, has chilling memories of his company's mis-takes in the late 1960s and early 1970s. Courtaulds' philosophy then was that if you threw money at it you could do anything. Only one of five new factories built in those heady days is now in operation, and that at half capacity.

Courtaulds is still investing— to the tune of £40m or £50m a year in the case of the Textiles Group—but there is no longer any illusion that simply pro-

sive investment into the then new technology of tufting. Despite the huge capital out-lays, much of the industry crumbled in the face of foreign competition, with the number of jobs falling from 45,000 in the early 1970s to around 15,000 now. "Under no circumstances can it be claimed that there was under-investment . . . there was too much of the wrong investment," Mr Brinton says.

In all this, the unemployed seem outside the equation, something for Government, not in-dustrialists, to worry about. "Our role is wealth, not job creation." one company executive said, though he was reluctant to be quoted by name. Bridgeport Machines in Leicester is the most successful

company in what remains of Britain's once - dominant machine-tool industry. Like Richardson it has just picked up a Queen's award for exports. Mr Arthur Aldridge, the managing director, says that the fall in the exchange rate means that "as far as exports are con-cerned current conditions could not be better." Its workforce though is still around 15 per cent lower than in 1979 and, says Mr Aldridge, barring a massive expansion, there is little prospect of the company

taking on extra workers.

The message is the same at ICT's C & P Division, which has already shed around 40 per cent of its workforce sinc e 1979. It is hardly surprising that companies which have spent the companies which have spent the last six years trying to squeeze their cost bases are shy about beginning to rebuild them. But their approach is not simply negative. The seemingly accepted truth is that only increased efficiency and higher productivity will provide a basis for furre growth in output. for future growth in output— and (admittedly at the end of a very long tunnel) more jobs. For the shorter term the most crucial question is whether com-panies have the confidence to take the fall in the exchange rate as an opportunity to

achieve a step-change in the level of output Mr Crawford at Automotive Products says it takes around 18 months in the car com-ponents industry for an ex-change rate fall to translate into higher orders. There are firm signs, however, that the car industry giants are beginning to switch sourcing to the UK. Mr Nightingale at Cour-

taulds sees the pound's fall against the D-mark as presenting a real opportunity for the company to boost sales in Europe and to claw back past ducing more guarantees a losses in the domestic market.

Mr Topham Brinton, the chairman of Brintons, tells a similar story about Britain's industrialists want, as Mr carpet industry, which during Nightingale puts it, is: "above the 1960s and 1970s put mas-

#### Dealing with nominees From Mr G. Simon

Sir. - The Commons Select Committee investigating the Westland affair has criticised the inadequacy of the Stock nominee shareholdings and recommends that the Governm should introduce early legisla-tion to require prompt dis-closure of the identity of those controlling the voting rights of

The chairman of the Stock Exchange has also criticised the Government for failing to amend the Companies Act. But, in fact, there is no need to amend the Act since the law aiready gives ample power for a company to alter its articles of association to enable directors to deal with the sort of non-disclosure problems faced by the directors of Westland.

Some years ago a company with which I was concerned took advice from leading counsel as to whether the articles could be amended to include provisions—disenfranchising shares vested in nominees where the ultimate beneficial where the introduced or ownership was concealed or which seemed to be part of an undisclosed concert party. Counsel advised this was perfectly proper and lawful.

fectly proper and lawful.

The Stock Exchange took the view that to enforce disclosure requirements in this was was unacceptable. It was also unacceptable to embody within the articles provisions which would disenfranchise shares in the hands of people who had breached the requirements of the Take-Over Code.

It was further thought un-

the Take-Over Code.

It was further thought unacceptable to require share-holders who failed to comply with the disclosure requirements to reimburse the company its costs in trying to discover the real beneficial ownership of characteristics.

ship of shares. Since it is perfectly possible Since it is perfectly possible to incorporate provisions in articles to deal with the question of disclosure of beneficial interests and of concert parties, I would have thought it would present no difficulty to the Stock Exchange in agreeing a model form to be incorporated in the articles of all companies whose shares are dealt in on whose shares are dealt in on exchange if the shareholders of those companies wish to adopt them. It is difficult to understand why the Stock Exchange objects to such provisions being objects to such provisions being incorporated since they are no more than an extension of the existing provisions incorporated in the articles of many com-panies which disenfranchise shares where the holders have snares where me noticers have failed to disclose beneficial ownership. On that subject, the case in Re. Geers Gross (re-ported on March 3) has made an important point in deciding that once shares have been dis-enfranchised, they stay disenfranchised until the required information has been disclosed. normation has been discussed, companies have supplied most so the law already provides of the robotic lines for the

#### Letters to the Editor

the necessary machinery for dealing with non-disclosure — it is for the Stock Exchange to it is for the stock rathings to assist directors and share-holders in modifying articles of association to make the machinery available. G. M. Simo

"We do not actually want a low-paid workforce. What we want is a high-pay, high-produc-tivity situation" is the com-ment of Mr Richard Lindsell, the chief executive officer of ICTs Chemicals and Polymers (C. R.) green It is not that is

(C & P) group. It is one that is heard time and time again.

Mr Lawson's decision in 1984

And that market-place apparently no longer includes the bulk of the 3m or more people out of work.

No one of course admits to

find a myriad of reasons why they continue to give their re-maining employees increases two or three percentage points more than the rate of inflation.

48, Temple St. Birmingham. Balance of

payments From Mr G. Davies Sir.—Samuel Brittan (March 12) is wrong to argue that many, like ourselves, are "cry-ing woif" about the UK's balance of payments.

It may well be that the offi-cial figures understate invisible earnings. It is these figures however, that the markets, and perhaps the electorate, tend to watch. The poor trade figures of May 1970, for example, ere thought to have played a major part in Labour's loss of the June General Election. Subsequent revisions now show that the UK had a substantial £800m current account surplus in 1970 as a whole.

What is really of concern is that the Government's medium-term financial strategy has noth-ing to say about the current account. It assumes it to be, in some way, self-correcting

in some way, salicorrecting. Thus, the authorities are not ostensibly equipped for the return to recurrent balance of payments problems.

If the UK is then taken into the EMS we will have a return to a "fixed" exchange rate regime. And it really will be a time warp back to the 1960s! a time warp back to the 1960s Glenn Davies, (Senior Gilts Economist), Alexanders Laing & Cruickshank. 7 Copthall Avenue, EC3.

Assembly lines

from abroad From the Managing Director, From the Managing Director,
Lamb-Sceptre Design Centre.
Sir,—I feel I must reply to
the article by John Griffiths
(March 10) headed "Jaguar
buys £50m car assembly lines
from Italian group." The Jaguar

spokesman is quoted as saying:

The only time we go abroad

for equipment is when it is not acquirable in the UK."

Having worked in the UK tooling industry for 31 years I consider this is a slur on the many good companies within the UK There was no large-scale approach to the many UK companies that could have sup-

largest European van produc-tion, both for the UK and abroad. They have a high reputation both at home and abroad. My company has recently supplied a complete body in white flexible guided vehicle plant to boild a new luxury car in the US, besides building complete plants to build Japanese cars, most of our tooling being manufactured in the Coventry area.

As the president of the Machine Tool Manufacturers'

Association stated at last year's annual dinner, "Our industry can only compete by having a strong home market." Comman being a subsidiary of Fiat has that home market.

While congratulating Jaguar on its present success, I would like to point out that the industry that it criticises has had to survive without considerable debts being written off prior to privatisation. N. B. Pigott. 17-19, Raynham Road Industrial Estate Bishop's Stortford, Herts.

Picturesque From the Chairman, Claridge's Hotel

Sir,-I believe I am right in saying that the City Corporation is the owner of the freehold of the area in Maylair, which was the subject of Colin Amery's recent article, because it was originally the route by which other from a source north of water from a source north of Oxford Street was conveyed to London (now the City of London), witness the names of local streets like Brook Street

local streets like Brook Street and Conduit Street.

This area acquired its old world charm and usefulness because for so long it was left undisturbed, perhaps because so many of the leases were perpetual, which made substantial re-development difficult to accomplish; but although the accomplish; but although the length of tenure was eventually sitered to avoid perpetuity, new leases were often for an immense span of time, up to 2,000 years.

munity of this state of affairs has been to preserve for present, and many hope for future generations, an area right in the centre of fashionable London that has a character all of its own, which provides a lively contrast to its surroundings, offers shelter to individual craftsmen and enterprises rich in variety, at an acceptable cost plied the equipment. These to them, and provides useful companies have supplied most services to surrounding trades and businesses.

The advantage to the com-

It is understandable that there should be pressure today from certain quarters to change all this, but, if it occurred, London would lose a charming, valuable and picturesque area, full of character and variety. Certainly, if this were to happen, it would not be welcomed by Claridge's which con-ducts nearby its international business, as it has done on its present site since 1814, (Sir) Hugh Wontner.

#### Would workfare work?

From the Director of Statistical Research, Unemployment Unit

Sir, — Joe Rogaly's advocacy of a UK workfare (March 12) appears to be based on the belief that unemployment is the result of Britain's transition from a manufacturing to a service-based economy. And that lots of service jobs (even if "less desirable" and a "little distance from home") are there waiting for long-term mem-ployed people if only they could regain their motivation. Even the most casual glance

at the figures regualarly pub-lished in the Department of Employment's Labour Market Statistics press notice would show him that job vacancies are simply not there for unemployed people to go into. Taking the department's assumption that official vacancy figures only represent a third of those really existing in the economy, we see that six unem-ployed benefit claimants are chasing every non-community programme vacancy. In Scot-land eight claimants are chasing

each vacancy.

Even this overlooks the fact that the large majority of un-employed benefit claimants want full-time work while many vacancies are for part-time

Figures for the 1985 Labour Force Survey, showing the num-ber of people who are available for work and who stated that they'd like a job if one was available, suggest that the de-mand for jobs outstrips supply

Obviously the situation is exacerbated in places by skill or local mismatches, where unemployed workers either have to keep a small family housed benefits.

by as much as seven times nationally - 10 times in Scotland.

the wrong, or no skills, or live in the wrong place for the available jobs. Given intelligence and political will, these problems can be overcome. But they are trivial compared with the hard fact that there still is nothing like the required number of jobs - in the commonly accepted sense of working providing at least enough income fed and out of poverty. Lowpaid government schemes and voluntary work don't fill this role any more than do state (Dr) David Taylor.



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# FINANCIALTIMES

Tuesday March 17 1987

The closer you look at City Offices the more 01-236 4040 St Quintin

HYPERSONIC AIRCRAFT WOULD CROSS ATLANTIC IN AN HOUR

# French plan 3,800 mph airliner

By George Graham in Paris

ces of up to 7,500 miles at five times the speed of sound (3,800mph or mach 5) - two and a half times as fast as Concorde. At that speed the new airliner could cross the Atlan-

Aerospatiale, the French stateowned rocket and aircraft producer. is to unveil its outline plans for the hypersonic airliner at the Le Bour-

The French company hopes to man Saenger project are also conbuild on its experience in the construction of the Concorde superson-the Aerospatiale sketch, howic airliner and the Ariane rocket to ever, is more modest in its aims

not come to fruition until well into the 21st century.

By unveiling its preliminary studies at Le Bourget, Aerospatiale is seen as staking its claim to a role in any eventual consortium which

might build a hypersonic airliner.
The US already started research
on its "Orient Express" project for a
hypersonic airliner, while the British Hotol aircraft and the West Ger-

FRANCE is working on plans for a take a stake in a future generation than either Hotol or Saenger, which would reach 600 degrees Cel-hypersonic airliner to cover dis- of hypersonic aircraft which would aim at launching into space rather sius at mach 5 than simply at flight within the

According to the French magazine, Le Point, the Aerospetiale aircraft would weigh 300 tonnes, nearly twice the weight of Concorde, carry 150 passengers and fly at an altitude of between 30,000 and 98,000 ft.

Aerospatiale said yesterday it still had a number of technical problems to resolve before the hypersonic airliner could become a realistic project. Among these is the prospect of a long range super-Conheating of the aircraft structure, corde is viewed as improbable.

In addition, Aerospatiale would have to develop its existing ramjet technology to give 20 to 25 tonnes of thrust, about 15 times more than existing models, and solve the problems of aerodynamics, air intake and pilot control.

Although the Aerospatiale sketch stands halfway between Concorde and the more ambitious Hotol and Saenger projects, engineers say that it will not be a lineal descendant of Concorde. In particular, the

# Hachette and Bouygues battle over TF-1

BY PAUL SETTS IN PARIS

THE BATTLE for control of TF-1, by the beginning of next month.

France's leading state television Mr Bouygues claims that Ha-France's leading state television network which is to be privatised in the coming weeks, has turned into a

Mr Francis Bouygues, the chair-man and founder of what is now the privatisation rules, the Government world's largest construction group, is offering 50 per cent of the net-with annual sales of FFr 48bn work to a consortium of investors (\$7.5bn), has filed a formal com- for FFr 3bn. The remaining shares plaint against the Hachette bid for will be sold to the public, with 10 TF-1 with the newly constituted French communications commission, CNCL This body is now study-ing the two rival bids for control of TF-1 and is due to make a decision Nationale de Paris (BNP), the coun-

chette has breached the competition rules for TF-1 by not completpublic doglight between Hachette, ing its group of financial and busithe country's largest publishing ness partners hoping to acquire group, and Bouygues, the higgest control of the network by the time the official deadline for bids ended is offering 50 per cent of the netper cent reserved for employees of

the network.

struction magnate claimed that

BNP's inclusion in the Hachette rily to the Bouygues attacks. Mr

TF-1 investor group was unaccept Jean-Luc Lagardère, chairman of TF-1 investor group was "unaccept-able" since BNP was also acting as

However, the CNCL has now ruled that BNP will not be able to take part in the Hachette consortium bidding for TF-1.

Although BNP has withdrawn from the Hachette consortium, Bouygues claims that Hachette could have had privileged information bid is also said to be generally fa-over the bidding contest because of voured by Mr Jacques Chirac.

try's largest commercial bank, in BNP's role as a government advis-the Hachette consortium. The con-er.

both Hachette and Matra, the stateable" since BNP was also acting as one of the banks advising the Government on the privatisation of the retwork.

Housewer the CNCL has now

> Hachette has from the beginning been seen as the frontrunner to gain control of TF-1. The publishing group has long said that it wante to develop a major presence in television broadcasting. The Hachette

# Former Arab finance UK Tories to woo chief guilty of fraud budget beneficiaries

chairman of the Arab Monetary tence. It is a matter of regret and Fund, was yesterday convicted in sadness that the fund entrusted his absence of charges of embezzle- with Arab money was subjected to ment by a court in Abu Dhabi and criminal action." sentenced to 79 years in jail.

Mr Hashim, and three of his sein the autumn of 1985, Mr Hashim nior aides at the fund who were alwas residing in the UK, which has so absent from the trial, were ordered to return \$80.5m to the AMF, a multilateral pan-Arab institution ased in Abu Dhabi, the capital of the United Arab Emirates.

chases of precious metals.

Mr Jalal Awhan received a 79 In statements made by his attor-

Iraq.
The amount the court is trying to

Mr Samir Abdel-Latif Rajab, a Jordanian accountant was given a two-year sentence. Mr Tefia Ibrahim, another Jordanian, who was a the board, dismiss those responsimanager at the fund, was acquitted, along with Mr Tewliq Ayyoub, the partner in charge of the Abu Dhabi offices of the AMF which acted as offices of the AMF which acted as been the result of a "political plot" its auditor until 1983 when it was and a failure to understand the replaced by Ernst and Whinney. The men convicted "stole the Ar-

MR JAWID Hashim, the former am al Sarraj said in passing sen-

When the trial started in private no extradition agreement with the

is understood to have been raised in bilateral contacts. However, it is be-The court was told the men used lieved Mr Hashim now lives in Canthe money to finance their own pur- ada and is carrying a Brazilian

year jail term, Mr Mahdi Salem al neys, Mr Hashim denied all fraud Aloun 75 years, and Mr Samir Oun charges. He claimed that only "a 34 years. All four originate from small amount was lost through legitimate bullion deals."

In an interview with the Finanreclaim is made up of \$70m alleged cial Times in October 1985, Mr to have been embezzled plus accu-Hashim said that he decided against disclosure of the losses because of the political damage which would be caused.

ble and make a big fuss or settle the matter in a quiet, dignified way." He claimed that the charges had

workings of the fund. He also claimed there were diffiab Monetary Fund's money and culties over recruitment of high forged its document," Judge Hish-quality technical staff

plans to exploit today's budget by

This forms part of a co-ordinated campaign to build on what Conservative leaders believe will be the favourable impact of the budget in the run up to either an early summer or autumn general election. Other activities include the mass distribution of leaflets, a major propaganda operation by Mrs Margaret Thatcher, the Prime Minister, and seven other cabinet ministers at a Tory rally this weekend and a party political broadcast next week.

These moves are bound to increase the already fevered specula-tion about election timing. The aim is to underpin the Tories' already strong position in the opinion polls and to leave all options open.

Conservative strategists want to see the trend of the polls over the next month or so before advising Mrs Thatcher. They have attempted to dampen speculation by saying that local election day on May 7 has been ruled out for a general elec-tion and that the options are either mid to late June or the early au-

BRITAIN'S Conservative Party mail exercise later in the week when it knows the full details of the sending out 1m letters over the next budget measures. The strategy is to few weeks to potential beneficia-ries, including home owners and ters regarded as sympathetic to the shareholders. ed by any cut in the mortgage rate) and shareholders (particularly those first time owners of shares since 1979).

Additional groups of budget bene-ficiaries will also be included if they can be specifically identified for a direct mail operation.

The Conservatives have been building up their direct mail activities since last autumn to a rate of This has concentrated on shareholders in privatised companies. particularly British Telecom and Jaguar, together with other target groups such as company directors. There have been experimental exercises to identify other possible Tory supporters. Overall the exercise is more than covering its costs to produce profits for the party.

To reinforce the impact of the budget, Mrs Thatcher and key economic and social ministers who will be at the centre of the party's election campaign will be speaking at the meeting of the Conservative Central Council, a half yearly rally

Conservative Central Office will of activists, at Torquay on the south take final decisions on the direct coast, this Friday and Saturday.

"A burning issue must be whether there should be complete separation of risk arbitrage and investment banking," Senator Prox-mire said earlier this month.

"We'll probably end up with an Omnibus Securities Regulation Act of 1987," says Mr Stoppelman.

Since the arrest last month of to clean up its own mess and how

Spain insists on pull-out of F-16s

### **Britain** to appeal over MI5 memoirs judgment

THE UK Government yesterday formally announced its decision to appeal against the judgment of an Australian court permitting publication of the memoirs of Mr Peter Wright, the former officer in MI5, the British counter intel-

ligence service.

After a weekend of consulta-tions involving Mrs Margaret Thatcher, the Prime Minister and Sir Geoffrey Howe, the For-eign Secretary, the decision was given in the House of Commons by Sir Michael Havers, the Attorney General.

He rejected accusations that, by pursuing the case, the Government was wasting taxpayers' money and attempting to supp-ress the book until after the general election, which may be called later this year. In the book Mr Wright makes

serious allegations about the conduct of several senior MI5 officials, alleging that one official, Sir Roger Hollis, was a Soviet

The Australian court case attracted widespread media coverage in Britain and served to raise again the debate about the internal security and the conduct of the British security services.

Sir Michael, who said he was onlident the Government had "a better than even chance of cess" in overturning the judgment, delivered in the New South Wales Supreme Court last week also confirmed that a police investigation was still underway in order to establish whether Lord Rothschild, the former head of the Downing Street "think tank", had breached the Official Secrets Act.

Opposition Labour Party MP's called for a full judicial inquiry into allegations contained in the book that security services had attempted to destabilise the gov-ernment of the Sir Harold Wilson, the former Labour Prime

Sir Michael rejected these calls for an inquiry into these allegations. He referred MP's to tement in 1977 by Mr James Callaghan, who was then Prime Minister, which Sir Michael insvices of the charges.

mer Labour Home Secretary, told the House of Commons that he had been involved in the 1977 inquiries and that they had centred on very narrow allegatio about the electronic bugging of the Prime Minister's residence, 10 Downing Street. In December, following allega-

tions that Lord Rothschild, a former MIS officer, had been a Soviet agent, Mrs Thatcher said there was no evidence to suggest he had ever been a spy.

But police investigations be-gan after the Australian court gan after the Australian court was teld that Lord Rothschild-had been instrumental in ar-ranging for Mr Wright to pass on information to Mr Chapman Pincher, the journalist, for use in

another book. Sir Michael rebutted other Labour Party suggestions that the court decision represented "a ca-tastrophic disaster"

tastropaic disaster

He re-emphasised the Government's determination to uphold
the principal of lifelong confidentiality for members of the intelligence services.

In calling for an inquiry into the affair, Mr Rees claimed it centred on "an exercise by dissident members of MI5" and stressed he was prepared to make available his own ministerial papers for the period

knows nothing about this. But the Government is too ready to wave a piece of paper and say that an inquiry has already been held into all these allegations.

# THE LEX COLUMN

# Counting the costs at BSR

First reactions to budgets are generally wrong and it may be that whatever the market does this afternoon it will reverse tomorrow. Otherwise market historians can find no reliable pattern to market moves around budget time. Last year the All Share index kept rising through March to peak in early April But 1983 - another pre-election budget - may prove a better parallel to this year. Then the market carried on up through the budget, and, with corrections either side, the election.

#### Dixons

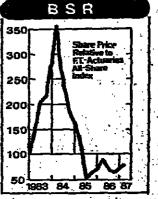
The pricing of block trades in the London equity market, has recently become a little less cut-throat - and promises to become even less so, if more market-makers follow the Midland Montago route.

Last October Salomon Brothers took on £30m of Granada stock at bid price, to the consternation of some London houses. Now it has acted as conduit for most of Dixons' stake in Woolworth. But this time it took the stock on at a 2.5 per cent discount to the previous market price, which is not enormously tigh-ter than good old fashioned placing

Yet Dixons has done well out of the deal. Speculation that it would sell its Woolies stake started at about 659p. By waiting until the price broke through the £8 barrier, Dixons has recovered almost all of the hid costs through its capital gains. The 5 per cent fall in Dixons' shares is a curious reaction to

The fears might be that Dixons' bid for Cyclops may be undermined by the conditional higher offer from Cyacq. But Dixons could more than match Cyacq's indicated bid price simply by passing on sterling's gains since the original offer.

There cannot be many electronic companies which are expected to



nesses. With cash-hungry Capetron

The grambles are, however, not without some cause. The hefty curnetting them off against the dispobly early next year, money is exsulted to pour in, so forcing prices £17m to £28m for 1987 may also up further. £1.3m exceptional credit and the net interest charge of over cam should go too). An ungeared and acquisitive BSR may, however, only need a hit of a push to set the share price marching up again.

increase earnings per share by about 40 per cent while still lanwishing on a multiple of 11. But then there are not many companies called BSR. The roller-coaster performance since the start of restructuring in 1982 has totted up losses

£60m (\$94.5m) left a mountain of re-

gone some way to denting that su-spicion but rather hazy accounting side. appears merely to have heightened it. This is a pity considering the transformation of the balance sheet and the improved mix of busi ic and Tenby now disposed of and Astec penetrating the higher mar-gin mini-computer market the qual-ity of earnings is far better, even allowing for a few disappointments. The decision to hang on to Swan - essuming it is more than a bargaining ploy - may be somewhat at odds with the retreat from consumer electronics, but it is now achieving

**IC Gas** 

margins of 7 per cent and can finally use its tax losses.

Looking gift horses in the mouth is only prudent for professional investors. But there are times when the City is perhaps too cynical for its own good. Witness the failure of

stock of Imperial Continental Gas Association. The market price of IC Gas is now only 3p above the tender offer price of 710p, which came with a promise of a top-up to the level of any subsequent successful bid. A similar tender offer from SHV flopped last week.

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Perhaps it was not politic of the Belgians to pay the Barcisy broth-ers 720p for their shares - no one prize is substantial. Stockholders may also have noted that the top up was valid only until the end of the year. But the heavy buying by War-burg Securities over the past few days suggests that a full hid might not be so far off. On April 27 IC Gas will demerge into two ples, and the Yesterday's figures should have Companies Act will then prevent

#### South Korea

The desperate search for undervalued investments, a sideline of the worldwide bull market, has drawn fund managers towards emerging countries stock markets. The marketing of the Koree Europe Fund, launched yesterday, rests heavily on the rapid growth of the South Korean economy and corporate profits allied to the apparently low market multiple, around 11 times historic, compared to other south-east Asian stock markets. Perhaps the main attraction is that foreign investors have had severely

which the fund will be able to put into the market may well be valued profits from Tenby and Capetronic into the market may well be valued are stripped out of 1986 (although a st twice that on the London market and it looks set to be an issue which will not trouble the underwriters and add spice to Far East unit trusts. But it is worth remembering the risks which correspond to such high rewards, and go part of the way to explaining the low market rating. Successful as the Korean economy has been it is still a developing one and a flood of foreign money could cause problems. The political situation is not, by Western standards, stable. The stock market is small and has been volatile. One the tender offer from Tractebel and thing is sure: once the fureigners Groupe Bruxelles Lambert to at-have piled into the market, getting

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# Washington turns its gaze on Wall St

Continued from Page 1

limits on the holdings of junk bonds by federally insured financial

• a study of the "environmental impact of a takeover on its local penal taxes on payments of "greenmail," which are bribes to

corporate raiders to drop takeover

bids and are seen as encouraging

the raiders. There are also propos-

als to outlow other equally exotic takeover defences such as poison pills" and "golden parachutes." However, Mr Dingell's committee

House Energy and Commerce com-

Weather

"We're interested in people fol-

lowing the law." Both agenda set-ting committees are considering technical adjustments to disclosure

requirements which could make it harder for a person to exploit inside

assets and cash flow of the target tile takeovers are good or bad for could help prevent insiders piling secret information on deals has company.

America.

could help prevent insiders piling secret information on deals has up stock while the market was still been passing from merger and ac-

to 24 hours the grace period before the SEC must be informed of a 5 trading, and whether hos- per cent stake in a company. This

harder for a person to expect these information of a planned takeover.

banks involved in advising clients but it is clear that want outer to on mergers and acquisitions from on the stand. As Mr Dingell wrote: not measures from Wall Street arbitrage or speculating in the stand. As Mr Dingell wrote: There is a direct relationship between how strongly Wall Street acts to clean up its own mess and how

"We're not making a covert at-tempt to stop acquisitions," says Mr Bruce Chafin, a staff member at the cent stake. There is also support for increas-ing the budget of the SEC, which is only \$105m a year. This compares

with the \$100m which Mr Boesky alone agreed to pay out of his profits in fines and penalties. A much more radical proposal would effectively bar investment banks involved in advising clients

Continued from Page 1 agreement was signed.

The most striking innovation appears to be the creation of a joint commission which will meet at reg-

ular intervals if problems arise which threaten relations between Turkey and the US Beyond that, the US is committed to use its best efforts to help Turkey in areas which have proved contentious in recent years - relations with Congress, the development of a joint defence industry, the allocations in the past, it is undealing the technical quality of some of the military aid Turkey will receive under the agreement is higher than in the past, it is undealing the technical quality of some of the military aid Turkey will receive under the agreement is tion of military aid and the granting of Turkish textiles access to US

The Turkish Government may

The Turkish Government may itly imposed until now on military face accusations from opposition aid to Greece and Turkey.

more than a year of hard bargain-ing was needed before the new a delay in the signing of the agreea delay in the signing of the agree-ment, that it has caved in to US

The agreement will run until December 1990, which again represents something of a concession by Turkey, which had originally pressed for an agreement renewable after two years.

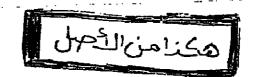
whether Turkey has succeeded in

getting the Americans to breach the

ratio of 7-to-10 which they have tac-

signed an agreement with Morocco, in 1982, which allows the so-caller Rapid Deployment force to use transit facilities at the Sidi Slimane and Kenitra airbases which have been modernised since then Earlier this year the two countries further agreed that US space shuttles would be allowed to land on the airstrip at Benguerrir in case of emer-

In spite of regular joint manoeuvres between US and Moroccan for ces, the latest of which were coded African Eagle and took place last November, there has been no sucgestion that Morocco is willing to



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# SECTION II - COMPANIES AND MARKETS

# FINANCIALTIMES

Tuesday March 17 1987



# **Buoyant Peugeot may** seek fresh equity

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BY PAUL BETTS IN PARIS

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55. 1 N Fe The state of PEUGEOT, France's leading private enterprise, is expected to raise fresh equity capital later this year, reflecting the car group's financial

architect of the group's recovery, about FFr 23bn.
confirmed that a possible new equity raising operation was being stud-ied. He was particularly interested in a recent series of equity issues by a number of large French groups, including the BSN food them comfortal group and the Moët-Hennessy champagne and cognac concern champagne and cognac concern.

In both cases, the groups that "anything can happen in the launched capital raising operations car business" and he would feel more comfortable "if I felt I had

takeover bids. Mr Calvet, who acknowledged that a hostile attack on Peugeot was unlikely at present, said he was still concerned to pro-tect the overall shareholding bal-

its two main divisions Peugeot and Citroën, solidly in profit. It has a Mr Jacques Calvet, chairman and current market capitalisation of

Pengeot's main shareholders - in-chiding the Pengeot family with 26-28 per cent of the shares and Michelin with nearly 9 per cent - also own double voting rights giving them comfortable control of the

covered myself against all possibilities, even the most extreme and un-likely ones. Peugeot is also to a He had been particularly inter-

ested by the FFr 800m Eurofranc is-

Peugeot is expected to report a by Moët-Hennessy last week to group profit of about FFr 2bn help it defend itself from a possible (\$323m) or more next month, with takeover at the same time as boosting the company's capital resource over a three-year period to make large acquisitions of its own. Although Pengeot has no plans,

fresh equity funds would help fi-nance its internal development. Mr Calvet said Peugeot intended to continue improving its balance sheet by negotiating flexible multioption financing facilities in countries where it has large commercial or industrial operations.

The group recently secured such a facility for Pta 7.5bn (\$58m) from a group of Spanish and internation-al banks and plans to launch a simi-Peugeot is also to announce the

payment of a dividend this year to mark its recovery - the first payout an ambitious four-year target of substantially increasing its French mark its recovery - the first payout sue with equity warrants launched in six years. After the earlier recov-



Mr Jacques Calvet: "Anything can happen in the car business"

ery of the Peugeot division Mr Calvet confirmed that Citroen had also recovered. It is expected to report a profit for 1986 of between FFr 250m and FFr 500m and should see earnings increase further this year. Mr Calvet said he had set Citroën

and European market penetrations.

# MIM buys W. German | Avia shareholders act to block Reebok bid

BY OUR FINANCIAL STAFF

Pentland Industries of the UK.

Norddeutsche Affinerie's shares 105m (\$57m). are owned by three German compa-nies, Metallgesellschaft and Degus-sa with 40 per cent each and Preussa with 20 per cent. The refining has a stake of slightly more than 1 company employs 3,200 people in per cent. The German company Hamburg.

BY ANDREW FISHER IN FRANKFURT

copper smelter stake

company employs 3,200 people in Hamburg.

Initially, the Australian group will acquire the Preussag stake and 10 per cent of the Degussa interest by the issue of MIM shares to the

MIM HOLDINGS, the Australian that each has 35 per cent. This will mining and minerals concern, is to also be carried out through share take a 30 per cent stake in Nord-deutsche Affinerie, the West Ger-the deal. Norddeutsche Affinerie, which alman company which operates the

largest primary copper smelter in so produces other metals and chemicals, has a nominal capital of DM The deal is part of the growing in-

ternational spread of interests at Metallgesellschaft, in which MIM

Australian Mutual Provident, the insurance group, also owns around 5 per cent of Metallgesellschaft, which has said it expects net profits Later, Metallgesellschaft and for the year to end-September 1986 MIM will adjust their respective 40 per cent and 35 per cent holdings so ous year's DM 61.4m.

A GROUP of shareholders in Avia Group International, the Oregon-based footwear producer, has filed of Avia stock from March 1986 and noted the plaintiffs, who purchased a class action suit in an Oregon cirstock between \$19 and \$25 a share. cuit court seeking to halt the \$180m 
The price fell from \$24 to \$16.50 a sale of the company to Reebok Inshare following Reebok's announcement that it had agreed to pay ternational, the fast-growing US athletic footwear and clothing man- \$16.35 a share for the group.

The stockholders are also seeking compensation from the defendants, of Mr Clem Eischen, a Portlandarea resident, who owns 500 shares who include most of Avia's direcof Avia, and Mr Robert Withers, also of the Portland area, who owns tors, according to court papers. The suit grew out of a meeting of 954 shares, and others who held stock at the time of Reebok's anseveral dissatisfied minority stock-holders of Avia following the announcement. A jury trial has been nouncement of Reebok's proposed

acquisition and the subsequent sud-den drop in the price of Avia stock. Avia said it had not seen the court papers and had no comment on the suit. Reebok is 37 per cent owned by

#### Lanerossi poised for share sale to public

By John Wyles in Rome

THE PRIVATISATION of the once deeply troubled Lanerossi textile group is to be launched this week with advertisements in uns week win soverusements in newspapers in Italy and almoad. With five companies, 12 pro-duction plants and 7,000 employ-ees registering a turnover of 1586bn (\$444.9m) in 1986, Laner-cesi paragraphy on important ossi represents an important privatisation exercise for the state-owned Eni petrochemical

Although the Government's approval appears to be based on a preference for disposing of Lanerossi as a single entity, Eni is ready to sell off separately its constituent companies – Laner-ossi, Marlane, Lebolemoda, Cotoni di Sondrio and Creazioni Janos di Matelica.

Mr Franco Reviglio, Eni chair man, expects strong interest from a number of Italian and overseas companies. He has defined a procedure which limits potential purchasers to industrial companies whose value-added is 29 per cent of Lanerossi's and financial holding companies with a net worth of 40 per cent of that of the textile group.

Interested parties can apply for initial data on Lancrossi, but detailed information will be released only on a promise of confidentiality. Those wishing to go ahead should then provide an outline valuation of the group of individual companies together with any development plans.

These proposals would then form the basis for an invitation from Eni to make a formal bid. Prospective buyers will be told that Lancrossi has moved from net losses of L82bn in 1983 to a profit of LA.4bn last year. Self-financing capacity has changed from a negative L71.7hm in 1983 to a positive L18.6hm last year.

New Issue

# IFC and Shearson plan Manila investment fund

BY WILLIAM HALL IN NEW YORK

Corporation (IFC), the private en-terprise arm of the World Bank, and Shearson Lehman Brothers, the New York brokerage firm, plan to raise up to \$250m for a new investment fund which will specialise

in Philippines investments.

The IFC, which is anxious to encourage the development of local capital markets in Third World countries, confirmed yesterday that capital markets in 1 mru worm countries, confirmed yesterday that it was working on a fund of between \$125m and \$250m.

Mr Jaime Ongpin, the Philipart appreciation.

During the past few months the stood to have proposed the fund tween \$125m and \$250m.

According to reports from Mani- projects.

la, the new investment vehicle will be called the First Philippine Capi-tal Fund, and its launch has been stock markets hitting all-time highs in recent months, some investors tal Fund, and its launch has been delayed partly because the Philip-

Last year the IFC launched a during a trip to the US last Septem management groups have established new investment funds spetrud, a closed end mutual fund on private investors to raise funds cialising in Third World markets.

THE INTERNATIONAL Finance which specialises in investing in the to buy discounted obligations of Corporation (IPC), the private ensured in the private ensured in the control of the control of the private ensured in the control of the

With several of the world's major have been looking increasingly closely at smaller stock markets in delayed partly because the runny pine Government is rescheduling about a third of its \$27.8bn foreign developing countries where they believe there is more scope for capital

# Dixons sells Woolworth shares

BY STEPHEN FIDLER AND CHRISTOPHER PARKES IN LONDON

electrical retailer, yesterday sold stitutions within 45 minutes. most of its 4.9 per cent stake in Woolworth Holdings, in a move that seemed to put paid to any lingering fears that it might still harbour amdeal, after allowing for holding bitions to bid again for the reviving

operation early yesterday.

Salomon Brothers, the US invest-

ment bank, which bought the entire block from Dixons for \$13p each,

more or less broken even on the deal, after allowing for holding were 21p off at 315p.

retailing giant. cost of last year 3 manual retailing giant.

The 8.3m shares were disposed of over bid for Woolworth.

Mr Richard Kalms, corporate af Dixons had

DIXONS GROUP, Britain's largest said it placed them with 45 or 50 in- was the price, he added. Woolworth's shares have been moving steadily upwards since last October. Yesterday, however, they closed

costs and the £11.7m extraordinary cost of last year's failed £1.8bn take- of yesterday's placing, and significant numbers of shares went to infairs director, said Dixons had started building its stake about a year ago, paying 695p to 700p a share. The main reason for the sale don time. stitutions in Japan and Europe.

# Conrail lifts estimate of offer price

BY OUR NEW YORK STAFF

THE US Government may receive more than it expected when it sells off Conrail, the state-owned railroad, to the private sector over the next few weeks.

Conrail yesterday filed an amended statement with the US Securities & Exchange Commission (SEC) raising the estimated offer-

When it first filed details of its

proposed initial public offering of Wall Street, 58.8m shares, of which 6.75m will be sold overseas, Conrail estimated The sale of the US Government's ings.

ing price to between \$26 and \$29 a 85 per cent stake in Conrail is expected to be one of the biggest stock market offerings in the history of

Assuming an offering price of that the offering price would range between \$22 and \$28 a share.

\$27.50, Conrail would be selling at roughly nine times historic earn-

January 1987

These securities having been sold, this announcement appears as a matter or record only.

New Issue

March 1987

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Standard Chartered Bank AG

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March 77, 1987, Landan By: Citibank, N.A. (CSS) Dept.), Agent Bank

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# Svenska Cellulosa edges ahead despite jump in turnover

BY KEVIN DONE, NORDIC CORRESPONDENT, IN STOCKHOLM

the leading Swedish forest products groups, increased its profits by only per cent in 1986 despite a jump of per cent in group turnover.

However, the group yesterday forecast an improvement of some ignificance" in group earnings this

SCA said the current business year had begun with continued good demand for most forest industry products and price levels higher than a year ago.

The group expects production to rise in 1987 with mills operating at high capacity levels, which should significantly boost the earnings of the pulp and paper and paper prod-

Last year group turnover rose 21 er cent to SKr 15.22bn (\$2.35bn) om SKr 12.6bn a year earlier. Profits, before extraordinary

ems, allocations and tax, rose 6 per cent to SKr 1.39hn while operat-ing profits rose 14 per cent to SKr 1.54hn. The group is increasing its dividend to SKr 5 a share from SKr 4.40 for 1985.

THE CARE AND FEEDING

OFA FORTUNE.

SVENSKA Cellulose (SCA), one of Prices increased for most produced ucts last year although the average price for pulp was lower in Swedish kronor due to the very low prices prevailing at the beginning of the year and weakening dollar.

Operating profits rose sharply by
46 per cent at Mölnlycke, the
group's subsidiary for hygiene products, and by 49 per cent at SCA
Packaging while earnings of the
group's hydropower operations declined by 19 per cent.

The operating profits of the dominant forest and paper product divi-sions rose only 6.6 per cent to SKr

The capital employed in SCA in-creased substantially last year following heavy capital expenditure totalling SKr 1.56bn and spending on new acquisitions totalling SKr

Last year SCA acquired Edet, a rival Swedish producer of tissues and hygiene products, and majority control of Svano, a forestry and hydropower company in northern Sweden.

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### **Amsterdam** merchant bank venture

By Laura Raun in Amsterdam

KOOLIMAN Securities, a rapidly growing Dutch brokerage firm, and Arab Banking, a Bahrain-based international bank, are launching a per cent owned by each.

The joint venture will be called ABC/Kooijman Capital Markets and will open in June with authorised capital of F1 12.5m (\$5.9m). It will engage in a variety of activities including management buy-outs, mergers and acquisitions, securities underwriting, stock exchange introductions and money mana

The new merchant bank is simed at strengthening the presence of in-stitutions in the Amsterdam financial markets which are enjoying new vigour as a result of liberalisation of the capital markets and modernisation of the stock ex-

Arab Banking took a 5 per cent stake in Kooijman in February 1986 when it went public on the Amster-dam Stock Exchange's parallel mar-ket. The two institutions also jointly introduced long-term, over-the-counter equity options last year in

Kooijman, which has an authorised capital of F1 12.5m, manages international portfolios and trades Eurobonds through its London subsidiary, Kooijman UK.

CANADIAN CONGLOMERATE SAYS WORST IS PAST.

# CP sets sights on future

BY ANDREW BAXTER IN LONDON

THE CANADIAN Pacific roadshow rolled into London late last week with a cargo of senior executives hoping to convince City investors that the worst is over for the transport and natural resources conglomerate.

The company's senior manage ment team, headed by Mr William merchant bank in Amsterdam 50 | Stinson, president, was touring Europe in an effort to put a brave face on the restructuring of the past few years and to look ahead to a more profitable fainte.

The Montreal-based congion ate reported a loss of C\$80m (US\$60.8m) in 1986, after special charges of C\$230m net, and has been hit by losses in its steel and industrial interests, described by Mr Stinson as a "troubled area."

The group's bulk shipping interests had produced a bath in red ink" in recent years, but CP was now clearing the decks. "We still ns, and I'm not going to have problem cloud those," Mr Stinson said, "but we've put the worst behind us."

The sales last year of CP's con-

trolling interest in Cominco, Canada's second-largest mining compa-



Mr William Stinton: Clearing

ny, and of Canadian Pacific Airlines had been the two most significant moves in 1986 towards reducing the

the airline's management, "there wasn't a wet eye in the house" when the carrier was sold to Pacific West-

ern of Calgary for C3300m. Noting the current trend towards consolidation in the US airline business, Mr Stinson said that in a deregulated environment airlines had to grow larger to compete against US carriers and Air Cana-

da, the state-owned carrier. On the railway operation, Mr Stinson said CP was reasonably confident of winning changes to forthcoming federal legislation on transport.

The company is particularly keen to have greater flexibility on cost reductions, giving it the ability to sell branch lines to small operators without "going through years of red

CP's See Line railroad in the US was hoping to sell a package of

On CP's future, Mr Stinson said: "You can assume that there will be eaning up its balance sheet. further restructuring." He would al-CP had never made any money in so like to find another "core busi-45 years in the airline business, Mr. ness in a non-cyclical area but was Stinson said, and while he praised only just starting to look."

#### Sabaudia to raise L350bn

SABAUDIA, one of the key bolding companies of Mr Carlo De Benedetti, yesterday announced plans to raise I.350bn (\$269m) on the Milan

The Sabandia rights issue is intended to be the largest fund-rais-ing operation launched by Mr De Benedett's group this year. The offer calls for the issue of

200m ordinary and voting shares, at L1,750 each, to be offered on the basis of two new shares for every

three ordinary or savings already

Sabaudia controls key equit stakes in the Ferruzzi group's Agri-cola subsidiary (4.13 per cent), in Generali insurance (1.07 per cent). Credito Romagnolo (1.88 per cent) the L'Espresso publishing group (17 per cent), the Mondadori publishing group (21.19 per cent), Pirelli SpA (3.16 per cent), Euromobiliare, the merchant bank (18.9 per cent) and other com

Yesterday Sabaudia revealed a 1986 net profit of L30hn, against L8bn earned in 1985.

#### Epeda in bid for French arms company

By George Graham in Paris

EPRDA-Bertrand Faure, the leading French producer of beds and car seats, is launching a takeover bid for the armaments company Lu-

Both companies' shares were sus-pended yesterday on the Paris Stock Exchange pending announce-ment of the terms of the paper bid. Luchaire's shares and warrants will remain suspended until further no-tice, but Epeda's will be quoted

again today.

Luchaire has recently returned to better financial health after a spell of losses, but it was recently implicated in a scandal over French arms sales to Iran.

The company's capital is broadly spread among a number of large french institutions.

#### Italian bank to pay \$47m for Valley National

ITALYS Istituto San Paolo di Torino, the country's fourth-largest commercial bank, is paying \$47m to acquire the Valley National Bank of California.

By Our Milan Correspondent

The Turin-based San Paolo said last night that it planned to merge the Los Angeles-based Valley National with the First Los Angeles Bank, which it already owns.

After the merger of the two banks, both controlled via San Paolones and the Delegant holding opposite the

lo's Delaware holding company, the assets of the California banking group will total around \$1bn. The Valley National was founded in 1957 and has seven branches in the Burbank and Glendale areas of Los Angeles. The First Los Angeles

Bank, acquired by San Paolo in 1982, has eight branches. Banca Nazionale del Lavoro, Italy's biggest bank, yesterday reported a 1986 net profit of L155hr (\$117m), against L146hn in 1985.

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#### N. AMERICAN QUARTERLY RESULTS

وبالأنباران التنواسع					
Drugs distribution			Sconpol 10444 (VEVAL)	fisher to the	
Second quarter	1900-87	1900-00	Shiri quarter .	1906-97 CB	305-01 CS
Review	131.3m 4.6m	781.8m 6.4m 8.48	Newsoniab annicembers	1,05bn 26,1m	844.2m 21.3m 0.31
Six mouths Réviges	1,000m 7,6m	1.51ba 12.6e	Revenue	3.10ba 824m	2.7bs 77.8s
Net per shere	0.55	5.94	New World Pictur	1.28	121
HAMILTON OIL		:	Physical Process		
Off (20% canned pl. A	maal	·		<u> </u>	<u></u>
		1905-04	Fourth quarter	1905-57	955-01
		1967-96 3 106.1ss 6.5ss 6.24		1966-87 8 72-8# 4.7m 0.32	

#### JE/JC

#### Fuqua Overseas Finance N.V. US \$50,000,000

Guaranteed Floating Rate Notes due 1987

#### Fuqua Industries, Inc.

In accordance with the provisions of the Notes, notice is hereby given that for the six months period 17th Mesch, 1987 to 17th September, 1987 the Notes will carry a Rate of interest of 7/8% per annum with a coupon emount of U.S.\$182.08

CHEMICAL BANK INTERNATIONAL LIMITED

## COMMUNAUTÉ URBAINE DE MONTRÉAL

Communauté urbaine de Montréal (Canada)

US\$150,000,000

Floating Rate Notes due 1991

In accordance with the terms and conditions of the Notes, notice is hereby given that for the six months from March 18th, 1987 to September 18th, 1987 the Notes will bear interest at the rate of 61/2% per annum. The interest payable on the relevant interest Payment Date, September 18th, 1987 against Coupon No. 7 will be. US\$332.22 per US\$10,000 Nominal. Agent Bank

ORION ROYAL BANK LIMITED A member of The Royal Bank of Canada Group

#### SEK

AB Svensk Exportkredit

US\$125,000,000 Floating Rate Notes Due March 1992

For the six months 16th March, 1987 to 16th September, 1987 the Notes will carry an interest rate of 10% per annum with a coupon amount of US\$511.11 per US\$10,000 Note, payable on 16th September, 1987.

Bankers Trust Company, Lond

#### Den norske Creditbank U.S. \$150,000,000

Floating Rate Capital Notes due March 1991 In accordance with the provisions of the Notes, notice is, hereby given that for the six month interest Period from March 17, 1987 to September 17, 1987 the Notes will carry an Interest Rate of 64% p.a. and the Coupon Amount per U.S.\$10,000 nominal of the Notes will be U.S.\$338-61 and per U.S.\$250,000 nominal of the Notes will be U.S.\$8,465-25.

March 17, 1987, London By: Cidbank, N.A. (CSSI Dept.), Agent Bank

CITIBANCO



**Currency Warrants** issued by Citibank N.A., Zurich SFr. 100,000,000

US Dollar call warrants at 1.55 SFr./\$

Advisor:

Citicorp Investment Bank (Switzerland)

February 1987

#### CITICORP O INVESTMENT BANK



**Currency Warrants** issued by Citibank N.A., London US\$50,000,000

US Dollar call warrants at 1.82 DM/\$ 1987-1989

Advisor:

Citicorp Investment Bank Limited

February 1987

#### CITICORP O INVESTMENT BANK



# CITICORP INVESTMENT BANK (SWITZERLAND)

**Covered Swiss Franc Warrants** for 4,500,000 shares of C. Itoh & Co., Ltd.

Structured and managed by:

Citicorp Investment Bank (Switzerland)

The Nikko (Switzerland) Finance Co., Ltd.

Banca del Gottardo Bank Julius Baer & Co., Ltd.

Bank Leumi Le-Israel (Switzerland) AG Banque Indosuez

Banque Louis-Dreyfus en Suisse S.A. Banque Kleinwort Benson SA

> Banque Paribas (Suisse) S.A. Baring Brothers S.A.

HandelsBank N.W.

Nippon Kangyo Kakumaru (Suisse) S.A. Morgan Stanley S.A.

Chemical N.Y. Capital Market Corporation

Samuel Montagu (Suisse) S.A. Swiss Cantobank (International)

February 1987

#### CITICORP O INVESTMENT BANK



**Gold Warrants** issued by Citibank N.A., Zurich 10,000 Warrants US\$430 per oz. strike price 1987-1989

Structured and managed by:

Citicorp Investment Bank (Switzerland)

Underwriters:

Banque Kleinwort Benson SA

Banque Paribas (Suisse) S.A.

Lombard, Odier & Cie

Swiss Cantobank (International)

February 1987

CITICORP O INVESTMENT BANK



Gold Warrants issued by Citibank N.A., Zurich 10,000 Warrants

US\$420 per oz. strike price 1987-1988

Structured and managed by:

Citicorp Investment Bank (Switzerland)

Underwriters:

Banque Paribas (Suisse) S.A.

Banque Oppenheim Pierson (Schweiz) AG

Banque Indosuez

Banque Kleinwort Benson SA

Lombard, Odier & Cie

J. Henry Schroder Bank AG

BHF-Bank (Switzerland) Ltd.

March 1987

CITICORP O INVESTMENT BANK

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bank

Jointly compiled by the Financial Times, Goldman, Sachs & Co., and Wood Mackenzie & Co. Ltd., in conjunction with the Institute of Actuaries and the Faculty of Actuaries

FT-ACTUARIES WORLD INDICES

Kathinal and Regional Markets	FRIDAY MARCH 13 1967				BOLLAR BUREX			
Figures in parentheses how number of stocks her grouping	US Dollar Index	Cay's Clange %	Pound Sterling Index	Lucal Currency Index	Gross Dix, Yield	1986/87 (figh	1986/87 Low	Year
Instralia (94)	111.52	-1.5	104.97	130.00	314	113.22	70.18	81.38
Vestria (16)	94.20	+GA	89.67	90.51	1.70	101.62	70.60	77.63
lekiur (47)	11527	+10	166.51	109.45	4.02	115.27	53.75	70.98
	127.79	+0.7	120.29	122.24	2.29	127.79	86.58	94.82
enada (132) Jennark (39)	112.91	+0.5	106.28	107.08	232	124.10	87.87	100.25
CONTROL PROPERTY.	識別	+0.5	107.09	11006	226	115.47	57.72	73.00
rance (121) Vest Germany (99) Long Kong (46)		-06	81.90	83.22	232 223 215	100.33	74.46	8485
lest Germany (99)	87.00	-10	101.07	107.56	293	114.71	62.87	64.80
ong Kong (46)	107.38	-03	12015	124.73	329	127.98	62.33	84.14
eland (14)	127.65	-02	90.26	9431	136	108.30	4607	70.93
aly (76) pan (458)	95.89	+03 +08	11564	11851	054	122.86	49.46	4200
pan (458)	122.86	-20	120.66	124.85	297	135.38	6667	62.88 73.69
lalaysia (35)	12819		120.26	150.B7	134	135.35	43.00	517
lalaysia (35) Lexico (14)	127.77	+3.3	10281	10434	422	109.22	74.14	8235
etherland (38)	309.22	+1.4	85.96	87.96	318	100.59	4737	1 0E-70
ew Zestand (Z7)	91.32	-23 -01	83.76	214.35	200	121.04	90.02	56.76 102.70
orner (25)	120.96	-11.	113.86 109.18	114.60	333	120.40	55.94	58.60
orney (25) legapore (27) onti: Africa (61)	115.99	-16	126.71	114100	367	13461	<del>49.06</del>	11012
outs Africa (61)	13461	+3.4 +0.5	104.39	104.19 109.30	29%	121.31	45.00 97.40	ᄣ
min (43)i	120.90	+0.5		103.33	352 229	109.21	63.35	70.86 78.26 77.79
reden (33)	107.96	+05	201.62	111222	146	104.05	69.41 00.25	44
witzerland (52)	94.91	-0.8	89.33	91.40		127.42		94.18
latted Kingdom (343)	127.05	-0.3 -0.4	11959 11257	119.59 119.59	3.54 3.00	120.11	75.39 85.46	97.55
witzerland (52)	119.59	-0.5	1123/	117.37	340	120.11		
srace (946)	310.07	-0.1	103.61	105.07	293	110.97	69.36	84.52
actric Basia (687)	121.78	+0.6	114.63	117.69	0.71	121.78	51.10	63.54
ero-Pacific (1633)	11711	+0.4	110.24	11264	1.55	117.11	58.45	71.81
orth America (713)	120.03	-0.4	112.98	119.75	296	120A7	85.61	97.78
Porte Ex. US (1840)	117.70	+0.4	110.79	112.94	160	117.70	60.02	73.03 81.77
forld Ex. UK (2078)	117.62	+0.1	110.71	11518 ·	201	117.62	69.65	81.77
forts Ex. So. At. (2960)	118.34	+0.2	111.40	115.64	2,14	11834	69.95	82.65
forld Ex. Japan (1963)	11635	-0.3	109.52	114,11	2.96	116.72	79.87	92.35
		+01	111.49	11556	215	11845	70.14	82.82
be World Index (2421)	118.45	407	TTT'44	محصا	حدء	71040	70.04	02.02

right, The Financial Times, Gabberra, Sachs & Co., Wood Machemain & Co. Ltd. 1967 Latest indices not available for this edition

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NZ\$ 50,000,000

18 per cent. Notes due 1990

guaranteed as to payment of principal and interest by

General Motors Acceptance Corporation
(Incorporated in the State of New York)

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The following have agreed to subscribe for the Notes:

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Wood Gundy Inc. Application has been made for the Notes constituting the above issue, in bearer form in the denomination of NZ\$1,000 each to be admitted to the Official List by the Council of The International Stock Exchange of the United Kingdom and the Republic of Ireland Limited, subject only to the issue of the temporary global

Note. Interest will be payable annually in arrears on 27th March, the first payment being made on 27th March, 1988. Listing particulars relating to the Notes, the Issuer and the Guarantor are available from the statistical ervices of Extel Financial Limited and copies may be obtained during usual business hours up to and neluding 19th March, 1987 from the Company Announcements Office of The Stock Exchange and up to and neluding 31st March, 1987 from the following:—

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17th March, 1987

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ISSUE PRICE: 102 PER CENT.

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**Sumitomo Finance International** 

# INTERNATIONAL COMPANIES and FINANCE

# Chao's textile group in public offer Tata gains

BY DAVID DODWELL IN HONG KONG

pany's shares to the public in Ningbo, just south of Shanghai, a flotation that will raise This community includes HK\$285m (US\$36.5m). figures like Sir Yue-Kong Pao,

ngures like Sir Yue-Kong Pao, film-maker Sir Run Run Shaw, film-maker Sir Run Run Shaw, and Mr Deacon Chiu, who heads one of Hong Kong, a subsidiary of the Japanese trading and manufacturing group that has been a long stations. standing customer.

The Hong Kong group, which also has factories in Macao and China, makes sweaters under announced yesterday that in the year ended in March 1988, turn-over amounted to HK\$1.05bn, with net profits of HK\$1.15m.

Platinum mine plans R256m

NORTHAM PLATINUM, the

new platinum mine being developed by Gold Fields o South Africa, is to raise R256n (\$122.4m) by means of a right issue of 6.4m shares at R46

Holders of the company's 8m

ordinary shares are being offered 80 new ordinaries for every 100 they hold at present.

Northam obtained a Johannes-

burg Stock Exchange listing two weeks ago through a private placing of shares and the share price reached a high of R59 on its first day of trading

after opening at R52. Since then the price has drifted back

The company is spending about R559m at 1986 prices to open a new mine, treatment plant and refinery in the north-

western Transvaal Few produc-tion details have been dis-closed, though the mine is being designed to mill 1.8m

to just over R50.

tonnes of ore a year.

**Amic 62%** 

pre-tax level

ANGLO AMERICAN Industrial Corporation (Amic), the indus-trial arm of Anglo American, the biggest South African min-

ing house, increased its pre-tax

result by 62 per cent last year, writes Jim Jones in Johannes-

burg. Profits increased to R433m (\$207m) from R268m, largely, because of better contributions

from paper, chemicals, steel and ferror-alloy interests.

R269m, and profit before tax

and finance charges was R566m

Mondi Paper, Highveld Steel Vanadium and AECI all pro-

duced significantly better results. Mondi completed a major expansion just over a

year ago and has benefited from

higher world and domestic

Earnings increased to 516

cents a share from 347 cents and the dividend has been lifted to 190 cents from 180 cents.

against R405m.

prices of paper.

ahead at

rights issue

By Our Johannesburg

NOVEL ENTERPRISES, a leading Hong Kong textile group headed by Mr K. P. Chao. Headed by Mr K. P.

About HK\$45m out of net proceeds of HK\$300m will be years ago by being a founder proceeds of HK\$300m will be member of a company called Hong Kong and Macao International investment Corporation. This company, whose 31 denim operation. Cotton spinmain shareholders reads like a ming operations in Xiamen, in Who's Who of Hong Kong's China's Fujian province, will richest and most influential and ago a group responsible.

to the public at HK\$2 a share. This issue, coupled with the 115m shares being offered to Marubeni will create an enone of Hong Kong's television larged share capital of 569m

BHP consolidates minerals side

The reorganisation follows a

• Hysta Developments, the flong Kong property group that was sold at a preferential price, a 25 per cent stake in Cathay Pacific when the airline was publicly floated in April last year, yesterday reported profits after tax for 1986 of HK\$254m, up 39 per cent from HK\$182m in 1985.

The group, which has grown

to be one of Hong Kong's most substantial property companies since being floated in 1981, is also proposing that its autho over amounted to HK\$1.05bn, businessmen, was responsible A month ago, a group refor the creation of Hongkong organisation hived off Novel's increased to HK\$4.5bn by the
for the current year would aviation group that has emerged company, which will not be shares.

(\$2n) debenure issue, the stake held by Davy Corporation of the UK will go down from 40 per cent to 26.7 per cent, which is sufficient for the UK company to retain voto powers under Indian company law. Ito to quit as chairman of JAL

But effective management control will rest with Tata, which is expanding into engineering activities and first bought a 6.7 per cent stake in 1984 to help the company broaden its base. In 1984 it put its representatives on the board, noteding Wr Rushi Mody, chairincluding Mr Russi Mody, chairman of Tata Iron and Steel (Tisco), who was chairman for

**24%** Davy

Ashmore

India stake

DAVY ASEMORE India is to

change its name this Fuday to Tata Days, following the accumulation of a 24.2 per-cent stake in the loss-making

Calcutta-based engineering com-pany by Tsta, India's largest family of companies.

Following a recent Rs 27m

APAN AIR LINES will be ying without a chairman hortly, only months before the flag carrier is to be rivatised.

IAL'S controversial chairman, are Junji Ito, has announced the month after serving just time to management problems at Kanebo.

IAL'S controversial chairman, are Junji Ito, has announced the month after serving just time to management problems at Kanebo, the cosmetics group—said his primary reason for resigning was his desire to devote himself full states.

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In Junji Ito, has announced the month after serving just time to management problems at Kanebo.

In Junji Ito, has announced the month after serving just time to management in the wake of the 1985 crash of the wake o Davy Ashmore India was formed in the 1970s by Mr P. Sen, its present Indian managing director. It has built up a Rs 200m to Rs 400m annual turnover, carrying out process engineering turnkey contracts, and manufacturing equipment under licence from Davy of the UK for the steel and other metal industries.

chairman of Kanebo, the cosmetics group—said his primary reason for resigning was his desire to devote himself full Japan, especially as Mr Ito had privatisation later this year. But it has been facing financial problems in the past couple of years, partly because of a shortage of orders caused by a alowdown in construction and modernisation of India's steel and other heavy industries.

BROKEN HILL Proprietary

As a result of the change, These are currently part of the (BHP), Australia's largest company, is to merge Utah Interprise in the become a subsidiary of the national, the US group it took become a subsidiary of the over in 1983, with its existing renamed BHP Petroleum retirement as Utah's chief minerals division in a reorganisation, which will be executive of Mr Alexander bedquartered in Methourne.

The reorganisation follows a group with the new interests. Following changes in accountancy procedures, profits of Rs 6.8m in 1984 turned into The latest changes will take effect from June 1, with the retirement as Utah's chief executive of Mr Alexander ("Bud") Wilson. The new group will be headed by Mr Jim Curry, presently Utah's executive of the following of the fol

West Bengal, where Calcutta is the capital. It has gone up to 24.2 per cent by taking Davy International's rights, and some other shares, in the recent debenture issue.

#### change in 1985 which saw the consolidation of the group's steel business as BHP Steel International. internal entity, the BHP-Utah Operating out of Melbourne Minerals International group and San Francisco, he will be which, if considered alone, In January this year BHP also in charge of E would count as one of sanounced that it would be coal copper, ma Australia's largest mining floating its Australian gold mining and exploration interests. gold operations. in charge of BRP's iron ore, coal, copper, manganese, nickel, tungsten and non-Australian

South African insurers show better results

BY CHRIS SHERWELL IN SYDNEY

The move creates a new

interests.

BY JIM JONES IN JOHANNESBURG THREE South African insur- R123.9m and the underwriting

cent-owned South African sub-

Nevertheless, the directors remain perturbed at the cost of an escalating household and commercial crime wave in the centred on Johannesburg.

Gross premiums written in-creased to R210.2m (\$100m) in 1986 from 1985's R178.7m. net premiums were R144.0m against from R1.90bn a year earlier.

THREE South African insurance companies have reported deficit was reduced to R1.78m income increased to R549m from R320m and improved results for last year from R6.25m. The pre-tax profit total income rose to R750m but fears are being expressed was R14.17m against R8.85m. from R492m.

Within the industry about the impact of rising social unrest as well as crime.

The directors say that a large part of the underwriting improvement has been passed to relusurers.

The directors say that a large premium income growth was due to single premium business which trebled during the year.

Not represent the reported to R1.78m to R549m from R320m and total income rose to R750m R492m.

The directors say that a large part of the underwriting improved total income rose to R750m t

However, improvements in insurers. Farnings increased to 100.6 cents a share from 76.9 cents and the year's dividend has been raised to 58 cents from

Premium income increased

Net earnings increased to Group turnover rose to sidiary of Guardian Royal profits for re-insurable business 24 cents a share from 18.5 cents R3.14bn from the previous Exchange, corrected premium were insufficient to offset losses and the dividend has been year's R2.56m, operating income rating deficiencies in 1986 and in personal and commercial lifted to 15 cents from 11.7 increased to R397m from substantially reduced its under- burglary business, which at not cents, Lifegro is now controlled fourth largest banking group.

Protea Assurance, a composite insurer, reduced its underwrit-

ing deficit largely because of a good outcome from the fire Lifegro, the life assurer account. Net written premiums formerly owned by Legal & increased to Ri04.3m from General, raised total assets to 1985's R92.5m and the under-R2.75hn at the end of 1986, from Ri.96hn a year earlier.

The life fund provided ordito R549m from R320m and nary shareholders with a profit total income rose to R750m of R449,000, against R189,000, investment income slipped to that a substantial part of the premium income growth was taxed profit rose to R5.1m from the previous year's R846,000.

The directors warn that increased crime rates and infa-tionary cost increases continue to affect cost of motor, and accident claims. They add that until social order is r and the police can "return to normal functioning," the future of short-term insurers must remain questionable.

Net earnings rose to 84.5 cents a share last year from 10.8 cents and the dividend has been raised to 23 cents from 18 cents. Protea is a subsidiary of Sun Alliance.

# Northern Foods p.l.c.

has sold its 80% interest in

# The Keystone Equity Group

and has acquired the minority interests in

Haverpride Farms, Northern Fine Foods, Inc. **Keyserv Group** 

The undersigned acted as financial advisor to Northern Foods p.l.c. in these related transactions.

#### ROTHSCHILD INC.

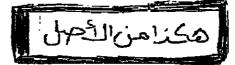
Affiliated companies in

London Paris Zurich Hong Kong Singapore Sydney

March 4, 1987







All of these securities having been sold, this announcement appears solely for purposes of information.

NEW ISSUES

sults >

March 11, 1987

# \$1,150,000,000

# Allied Stores Corporation

\$200,000,000

101/2% Senior Notes Due 1992

\$700,000,000

11½% Senior Subordinated Debentures Due 1997

10,000,000 Shares

\$3.3125 Cumulative Exchangeable Preferred Stock, Series A
(Stated Value \$25 Per Share)

Shares of Preferred Stock will be exchangeable at the Company's option in whole or in part for 13¼ % Junior Subordinated Debentures

Due 2002 at the rate of \$25.00 principal amount per share of Preferred Stock, provided certain conditions are met.



The First Boston Corporation

Yoko Shibata on the effects of the floating-rate note crisis in Japan

# FRN paralysis hits Tokyo banks

per cent of the total outstanding of \$12bn, according to the amazing herd mentality. For us Japan Bond Research Institute, it is easy to sell bonds to a

sector have stopped dealings and, as a result, Japanese banks have been forced to accept losses. There appears little scope at present for reopening

Those banks which use the "cost or market, whichever lowest" accounting method, under which a loss has to be written down in each fiscal year, are facing a further probem of how to evaluate their losses on the notes in the absence of market prices. Perpetual FRNs have no

most part been issued by banks seeking to boost their capital ratios, since regulators have allowed them to be counted as primary capital. The perpetual

Denmark debt

downgraded

By Our Euromarkets Staff

Standard & Poor's, the US

tributed to a steady deteriora-tion in its current account

balance and a substantial rise in its external debt burden.

129 per cent of its total exports in 1986, which compared

with 83 per cent in 1983.

Standard & Poor's ennounce-ment, which came late in the

day, prompted little reaction in the Eurobond market.

Dealers said that prices of Euroyen issues for Denmark

some Eurodollar assues were

marked down by about 1

unchanged, although

Denmark's net foreign debt

by S&P

borrowings.

Their appraisal loss is esti-mated to amount to about at a time when yields on other \$10bn, on estimated combined fixed-interest instruments were ment, b failing to Libor or below.

Informal pressure The downward slide was first

triggered by a large Japanese trust bank's sales of perpetual FRNs worth several million dollars before Christmas, which coincided with a market downcoincided with a market down-turn caused by an overhang of the paper. There followed an erosion of Japanese banks' con-fidence in the market, which fidence in the market, which caused a collapse in prices. At the beginning of this year,

Mr Gerald Corrigan, president of the New York Federal Re-UK agreement on capital ratios. of this month (coinciding with

According to the US-UK agree. ment, banks' holdings of capital instruments (including per-"Japanese banks have an petual FRNs) issued by other banking organisations are to be Japan Bond Research Institute, it is easy to sell bonds to a deducted from capital. This has one of the country's three officially recognised credit rating agencies.

Most of the 40-odd market makers in the perpetual FRN restree have stranged dealings.

Japanese bank if we say that caused concern among Japanese other banks are buying," says a bond salesman for a British merchant bank.

The concerned that they will restrict the perpetual FRN restree have stranged dealings.

concerned that they will eventually have to conform with the bilateral US-UK accord, Japanese banks suddenly stopped buying perpetual FRNS. According to some analysts, the resulting flight of funds from perpetual FRNs to more attractive high coupon

market. How to evaluate losses on their perpetual FRN holdings has caused a further headache serve Bank, stopped in Tokyo for Japanese banks. Some on his way to a Bank for Inter- analysts expect Japanese banks analysts expect Japanese banks to carry out limited cross national Settlements meeting in to carry out limited cross Basle to inform the Japanese trading among themselves in financial authorities of the US- the London market at the end

JAPANESE BANKS have been badly caught out in the paralysis of the perpetual floating-rate note market.

FRN sector was swamped by He was attempting to put in the end of the current fiscal formal pressure on the Japanese parks of the perpetual floating-rate note market.

FRN sector was swamped by He was attempting to put in the end of the current fiscal formal pressure on the Japanese parks of the market prices on the basis of ment's definition of primary which they can make write-

In the meantime, some Ameri can securities houses are actively trying to interest investors in a package product com-bining perpetual FRNs and zero-coupon bonds. "This is a product for those investors first buying perpetual FRNs, and it is shunned by most investors, says a British merchant banker

Cause for concern

The appraisal loss on Japanese banks' holdings of per-petual FRNs has given the Ministry of Finance cause for Ministry of Finance concern, especially for the banks. smaller regimal panes. Japanese banks are understood to have suffered a further \$100n worth of foreign exchange losses on their purchases of 30-year US government bonds as a result of the steep appreciation of the yen against the US dollar. gainst the US dollar.

The MoF has issued a warn-

ing to financial institutions fall-ing to take sufficient risk-limiprudent in their overseas invest-ments.

# Ericsson suffers further sharp fall in information systems unit

BY KEVIN DONE NORDIC CORRESPONDENT, IN STOCKHOLM

credit rating agency, said yesterday that it was down-ERICSSON, the Swedish telecom- 1.16bn in 1985 and SKr 1.93bn in over declined 3 per cent to SKr munications and electronics group, 1984. grading Denmark's long-term munications and electronics group, suffered a further heavy loss of SKr external debt to AA from AA plus. The decision affects some \$17.6bn (equivalent) of 284m (343.9m) in its information systems division last year bringing The country's, weakened extotal losses in the sector in the past ternal competitiveness, said Standard & Poor's, had conthree years to SKr 1.3on.

The group's ambitious expansion into business information systems during the early 1980s has cost it dearly with operating losses of SKr 217m in 1984, SKr 806m in 1985 and increased to the equivalent of SKr 284m in 1986.

> At the same time the profitability of the group's public telecommunications operations, which generate the lion's share of Ericsson's earnings, has also come under heavy pressure due partly to the high costs of developing and adapting the group's Axe digital public switch for the US and UK markets. SKr 2.11bn from SKr 1.64bn chiefly

Operating profits for this sector as a result of the cut in losses of indeclined further last year to SKr formations systems. Group turn- from SKr 2.6bn in 1985.

tions products declined slightly to 1986 results published yesterday -preliminary figures were released SKr 10.3bn from SKr 10.56bn in 1985 while sales of information sysin mid-February – the earnings of the group's cables operations also declined sharply by 22 per cent to SKr 261m following the sale of a tems products fell to SKr 9.18hn from SKr 9.98bn a year earlier. Overall, the first sign of an improvement in Ericsson's earnings majority interest in Ficap, the Braafter a steep two-year decline zilian subsidiary, as well as a result emerged in the second half of 1986 of lower demand for optical fibre zilian subsidiary, as well as a result and for the full year profits (before cable in the US.

appropriations and tax) rose slightly to SKr 911m from SKr 878m in 1985. The improvement was accounted for by increased extraordinary gains, however, which totalled SKr 378m in 1986 compared with Operating income increased to

According to Ericsson's detailed

The group had some success in strengthening its badly weakened balance sheet last year. By freeing working capital it substantially reduced its short-term borrowing and improved its equity ratio to 30.5 per cent from 28.5 per cent in 1985. It reduced inventories and accounts receivable, while capital invest-ments fell sharply to SKr 1.5bn

This announcement appears as a matter of record only.

SKr 333m in 1985.

New Issue

12th March, 1987

#### The Commissioners of the **State Bank of Victoria**

(a corporation constituted under the State Bank Act 1958 of the State of Victoria, Australia)

Japanese Yen 10,000,000,000 5 per cent. Guaranteed Notes due 1992

Repayment of principal and payment of interest and other charges to be guaranteed pursuant to the State Bank Act 1958 by

The Treasurer of the State of Victoria

Issue Price 1014 per cent.

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Yasuda Trust Europe Limited

LTCB International Limited

Morgan Stanley International

Nomura International Limited

Takugin International Bank (Europe) S.A.

#### Orion pulls out of floater market

By Clare Pearson

ORION ROYAL Bank, the London investment banking arm of Royal Bank of Canada, yesterday said it was with drawing from making markets in all sectors of the floatingrate note (FRN) market). The announcement followed particularly sharp price falls uncement followed and chaotic trading conditions in the sector inst week, although Orion sald it had taken the decision to pull out before this. Others among the 50 or so FRN market

makers are expected to follow Orion. Orion said its FRN depart-ment had achieved a trading profit in recent years, includ-ing 1987 to date. But the bank was not confident that it would be profitable enought to cover overheads and committed capital in future, since retail investment in the market seemed to have dried

Orion accounted for about 5 per cent of FRN turnover in London. Its three FRN traders are being redeployed into trading other products. principally Eurocommercial

Royal Bank of Canada reported a drop in inter-national earnings from C\$42m to C311m in the first quarter of the current financial year, ended January 31. Mr Allan Taylor, chairman, attributed the fall partly to "unsatis-factory" results from the bank's global capital markets

Most of the smaller players most or the amaner players in the FRN market were inactive yesterday. Prices continued to be volatile, although the shorter-dated issues were reasonably well supported. Some of the lunger issues lost about 1 point in price, with issues for US by its continuing to come under the greatest pressure. Trading in FRNs has been almost entirely confined to professionals in recent weeks and dealers say that some of the higger houses been taking up substantial short positions.

#### Italian bank ownership rule may be eased

By Our Milan Correspondent TREASURY **ITALY'S** 

Minister unveiled a draft proposal at the weekend which would for the first time allow industrial com-panies and other non-bank concerns to acquire share-holdings in Italian banks. government could not come to a halt simply because of the Rome political crisis, Mr Giovanni Goria, the Christian Democrat Minister of the Treasury, made the proposal on Saturday at a conference in Mantua of top bankers and industrialists.

Mr Goria's speech marks
the first government pronouncement on an issue which
has seen intense behind-thescenes lobbying in recent
months by Italian businessmen. The holding companies
of both Mr Gianni Agnelli and
Mr Carlo de Benedetti have
heen interested in brilding up been interested in building up shareholdings in banks, and both groups were last antumn told by the Bank of Italy that they could not bid for the Italian subsidiary of the Bank of America. The draft proposal would

limit the size of corporate equity stakes in banks to around 10 or 15 per cent. Explaining the reason for restricting industrial share-holdings in banks to such a minustrial land. Mr. Corlo minority level, Mr Goria warned of the danger that entrepreneurs or manufacturing companies might be tempted to channel bank ions to their own businesses.
Asked to explain why indusrial concerns are keen to acquire shareholdings in banks, the Treasury Minister replied that he did not really understand the logic which certainly is not because of "certainty is not because of the profitability of the banks." Mr Goria added: "For this reason I fear that there are goals which are not fully legitimate and so I have res-ponded with a fairly rigid regulatory proposal" regulatory proposal."

The Geria proposal would prohibit industrialists from having any management functions in banks and, aside

functions in banks and, aside from the limit an equity stakes, would set out sanctions designed to deter corporate shareholders from influencing the bank's lending activities. The central bank is at work on a detailed set of regulations, the Tressury Minister said.

• Mr Antonio Maccanics, until recently the secretary. until recently the secretary-general to President Francesco Cossiga, takes over today as the new chair-man of Mediobanca, the

state-controlled Milan merchant bank which has been at the centre of a political row for the past year. Mr Maccanico's arrival is expected to bring an end to the 40-year rule of Mr Enrico Cuccia, the 79-year-old hoard nember who has tended to Serve mainly the interests of a tiny private sector elite.

# Euroyen issues trade well but other sectors subdued

BY OUR EUROMARKETS CORRESPONDENT

secondary sectors of the Euro bond market were extremely subdued yesterday, taking their lead from the light turnover in the US Treasury bond market.

The main exception was the Euroyen sector, where prices of longer-dated assues were marked up to I percentage points higher during the morn-ing, following gains in the rament bond Japanese government by market over the weekend. Enroyen boads are still sustained by strong interest from Japanese investors, who can obtain a yield pick-up of sround 60 to 70 basis poins by switch-

ing out of longer-dated domestic Two new issues surfaced in this area of the market. The first was a YI5bn deal for Nor-way's Eksperfinans. The issue,

which matures in 1992, carries tionery company, and increased a 5 per cent coupon and a 103 it to £69m. The coupon was issue price. The bond traded fixed at 4½ per cent, the lower well within its 1½ per cent fees and of the indicated range. They can obtain yields almost at about 101½ bid, buoyed up by The conversion premium was as high as those on foreign the gains in the secondary mar-fixed at 14.3 per cent over a bonds.

BOTH THE new issues and ket during the morning. price. secondary sectors of the Euro Bank of Tokyo International's priced Y15on issue for Canada's Export Development Corporation met a slightly less enthu-siastic reaction as its pricing reected the market's rise. The

> INTERNATIONAL BONDS

five and a half-year deal carries a 44 per cent coupon and 1011 issue price. It traded at a bid price of par, a discount equiva-lent to its total fees. lent to its total fees.

Eurosterling bonds traded quietly, after lively activity in recent days. Some dealers moved to lighten their positions ahead of the Budget today.

J. Henry Schroder Wagg priced a recent £55m convertible issue for Bassatza.

vertible issue for Rewntree Mackintosh, the UK confec-

price. The put option was priced at 125 to provide a yield of 8.7 per cent. Credit Suisse First Boston fixed the terms on a recent issue of convertible preference shares for Hawley Grasp, a Bermuda-based specialist cleaning company, and increased the issue by \$25m to \$175m. The coupon was fixed at 51 per cent coupon was used at at per cent, and the conversion premium at 20 per cent over the closing share price on March 13. These were both at the lower end of the indicated ranges. Short-covering in the D-Mark sector sent prices about point higher in almost purely professional dealing. The recent 64 per cent Federal Railways domestic bond traded at around less 0.85 points bid.

three-day average closing share

In Switzerland, prices moved about 1 point easier in low volume. Dealers said investors

# Japanese futures battle hots up

because Japanese law prevents

QUALIFIED whether Japanese or foreign, By contrast, the Tokyo Stock would be welcome to participate Exchange has only nine foreign in the comprehensive futures market in Tokyo proposed by apan's banks.

The banks, fighting an 11th hour battle against the Tokyo Stock Exchange's plan to introduce a stock futures market next year, have decided to emphasise the open nature of their proposal.

"We want a market that people will not consider re-stricted," said a spokesman for the Federation of Bankers Associations of Japan.

Foreign institutions that have New York or London futures licences would be invited to join, as would Japanese securi-

already working on an amend-ment to the Securities and Exties firms. change Act aimed at accommodating the TSE's stock futures members and is dragging its dating feet on demands that others be plan. The banks are seeking a allowed to join. Banks would not be allowed to participate comprehensive new law that would cover all futures markets in the TSE's futures market, and remove any arbitrary

restrictions on participation. The banks hope the MoF will banks from dealing in most securities.

The banks also claim that a The banks also claim that a accept their proposal and that comprehensive futures market, a bill will be presented to the one that includes currency and Diet early in 1988. If so, their interest rate futures as well as stock and bond futures, is needed if Tokyo is to take its spring of 1989.

At present, the only futures market in Japan is a bond don, the US and the Far East.

The hankers' federation, has

The bankers' federation has 1985. The Osaka Stock Exchange submitted its proposal to the is starting a stock futures mar-Ministry of Finance, which is ket on April 6.

#### FT INTERNATIONAL BOND SERVICE

Listed are the latest international bonds for which there is an adequate secondary market. Closing prices on March 16 US DOLLAR

STRAHERTS
Abbey National 72, 92 209
A/S Elepartificate 75, 93 380
Australia Cam. 11 95 380
Complet Soup 109, 95 380
Camada 9 96. 380
Camada 9 96. 380
Citizop 874 93 380
Credit Lyounais 9 91 380
Credit Lyounais 9 91 380
Credit National 774 YER STRANSITS famous bid office day week.

Am. Dur. OS Cr. 5% 91 20 165% 165% 465% 465%

December 65% 96 120 180% 185% 46% 46%

December 100% 180% 180% 180% 180% 46%

EEG 44, 93 250 260 180% 46% 46%

Sauctor, Kingdom 5% 94 25 180% 180% 46% 46%

Sauctor, Kingdom 5% 94 25 180% 180% 46% 46%

Sauctor, Kingdom 5% 95 25 180% 180% 46% 46% 

| Section | Color | Co

# Rationalisation helps Suter boost its profits by 57%

THE BOWN THE PROPERTY OF THE PARTY OF THE PA

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THE SPECIAL PLANE OF THE PROPERTY OF THE PROPE

Although Suter is eager to Although Suter is eager to embark upon further acquisitions it envisaged a series of relatively modest deals involving "add-on" companies to complement its existing activities, rather than mounting major bids.

Light engineering emerged as one of the most successful divisions in 1986 fuelled by the growth of Searle and Clearplas. Turnover grew to £39.8m

Satier, the expansive engineering and distribution group, yesterday reported a 57 per 542.4m (£3.4m) Distribution also fared pressed as an extraordinary to 514.9m for the 1986 financial year. This growth was achieved despite difficult trading conditions and reflected the benefits of rationalisation and investment.

"We saw 1986 as a very tough year," said Mr David Abell, Suter's chairman. "But most of our businesses produced substantial increases in profits. In 1987 many of our markets should be very buoyant. The company is in super shape and tremendously liquid. We are ready to expand again."

Although Shier is eager to a fift fell to fair all its growth has been supported a feer a firm the weak US and profits fell to fair all its growth has been

new plant for a large contract. Turnover rose to £17.7m (£15.4m) but profits fell to

#### Weak electronics leaves **CEI** profits behind

enabled directors to recommend an increased final dividend of

5.8p.
The company announced a large-scale restructuring of the group which will involve the creation of divisions, the elimination of some products and manufacturing units, and cuts in middle management.

The continuing recession in the electronics industry has hit Cambridge's profits since 1985, when it reported an 11.4 per-cent downturn to £10.63m. The interconnection technology and electronic components divisions were affected by the downturn in the communica-tions, computer and defence industries in Europe and the

industries in Europe and the US.

The former's profits fell from £447m in 1985 to £2.48m, but electronic components boosted profits from £1.57m to £2.47m, with losses in its US subsidiary. Elec-Trol. more than halved despite lower turnover.

A short-term dip in the sales of CI (Polymers) caused a fall in the sales of specialist com-

in the sales of specialist com-panies from £2.7m to £2.6m. But higher sales came from defence and instrumentation companies, and profits rose

£1.6m (£1.7m).

El.6m (£1.7m).

Related companies produced profits of £1.5m (£1.2m) and corporate activities £4m (£1.9m). Discontinued operations produced a loss of £400,000 (profit of £100,000) on turnover of £7.3m (£5.2m).

Taxation deducted £4.2m (£3.3m). Costs involved in the closures and disposals were ex-

A WEAK electronics sector resulted in a slight fall in pre-tax profits from £10.28m to £237,000 (£268,000).

Attributable profit was £3.67m (£5.51m) and earnings per share tronics Industries. But the final quarter's recovery in demand

The extraordinary charge of Attributable profit was £3.67m (£5.51m) and earnings per share stood at 14.7p (15.7p).

The extraordinary charge of £1.96m is a full provision for the 1007 control of the 1987 costs of restructuring

the group. Directors said the group had emerged from a difficult period in a strong position. They are recommending an increased final dividend of 5.8p per share, welling for against less rearrants. making 8p, against last year's total of 7.45p.

comment

After all the bad news from electronics companies recently, cent downturn to £10.63m.

Group turnover fell slightly the market was able to take the found turnover fell slightly from £135.65m to £132.4m. pushing the share price down the interconnection technology. only 3p to 270p. The biggest problem spot was Bepi Circuits, which swung into a £750,000 loss from the equivalent level of profits but the whole interconnection technology (printed circuit boards) took a nasty knock. However, Cambridge ha anock, However, Campringe has
dug its heels in and rationalised
its cost base and loss elimination alone—at Bepi and at ElecTroi—should add a further
£Lim to pre-tax profits this
year. The underlying trend of
the statement, and the dividend
increase, were fairly bullish
indicating that the fourth
matter increase in demand has quarter increase in demand has been continued in the current year. Given CEPs operational gearing to a sector recovery, Interest charges rose from achievable pre-tax profit target £354,000 to £710,000. Tax was indicating that the shares are on slightly higher at £4.25m a prospective p/e of 13.

#### Sunleigh surges to £621,000

Restated figures from San-leigh Electronics showed that in 1986 the group lifted its turnover from £3.33m to £5.63m and its pre-tax profit from £251,000 to £621,000.

The acquisition of Stanelco Products was completed in After the resumption of dividends at the interim stage, the final is 0.25p for a net total

of 0.375p.

Mr Tony Merryweather, chairman, said he was confident of sustaining the growth

Mr Tony Merryweather, chairman, said he was confident of sustaining the growth

Month aread of Schedule, and Schedule, a

#### DIVIDENDS ANNOUNCED Date Corres Total Total Current of ponding for last payment payment div year year

			- AF	A-0	A 4
RSR	2.1**	June 3	7-29	2.7	2.4
Cambridge Electronic	5.8	<b>May 19</b>	5.25	8	7.45
Campings meer ance	8		7	14	12
Camellia Inv	4204	July 6		20	7
Eucalyptus Paip	17	auty o		.3	<u>.</u>
Mre Fieldst	يا لنظيظ	-			
James Fisher	0.35		1.7	2	3.3
Guernsey Atlantic:	nil		2.8	nil	2.8
Guernsey Atlantict	8		7	8	7
Hawtai Whiting	2		À	_	17.5
MAI Int	0	7 40	7 PE	1.751	0.75
Meggitt	1.20	June 12	0.73		
Metalrax	1.9†	May 29	1.6*	2.63	2.23*
Metalical int	1	April 25		_	3
Pacific Salestint	7†	May 29	5.75	12	10
		April 27	0.7		2.2
Renishaw	9.0	March 16		1	nil
	_	Walcu To	ш	_	0.5
Savage Group;int	1.5	_			
STARRE CLOKES	0.25‡		nil	0.38	nil
Sanleigh Elect	60	Time In	2.33*	4.2	3.5
Sater		75 D	45	7.5	6.2
TOG	0.0	May C	77	11 E	10
TDG	8.511	may o	1 54	99	2 64
Unidare WPP Group	1.951	1mA r	1.07		4 hawaica
WPP Group Dividends shown penc	e ner shi	are net e	XCEDT A	Atterie o	THEY MISC
Dividends shown pencistated. Equivalent af	tor allow	ing for SC	rip issu	(e. T ()1	r cabum
stated. * Equivalent af increased by rights a	_4/av 90	anigition	issues.	<b>‡ US</b> I	M stock
increased by rights a	DOLOI at	ii Pos	14 ma	nths.	** Gross
increased by rights a Unquoted stock.	us cents	. Hrur	74 1100		
†† Irish currency.					·
Il Ilisu contency.					



£200,000,000 Floating Rate Notes 1996

Interest Rate Interest Period 9.9375% per annum 16th March 1987 to 16th June 1987

Interest Amount per £10,000 Note due 16th June 1987

€ 250.48

Interest Amount per £100,000 Note due 16th June 1987

£2504.79

Baring Brothers & Co., Limited Agent Bank

# Edinburgh Financial Trust set to provide financial services

BY JAMES BUXTON, SCOTTISH CORRESPONDENT

SHAREHOLDERS IN Edinburgh Financial Trust, a small Scottish investment trust, yes-terday unanimously approved

Suter-cuts and investment tion, a financial services com-completed—is in an enviable pany based in Edinburgh which

The vote, at an extraordinary general meeting marked the defeat of plans by a consortium headed by Mr Bruce Judge, the New Zealand entrepreneur, to take control of EFT, increase its capital and use it to acquire strategic stakes in oublic companies.

The plan, believing that the plan general meeting in Edinburgh, marked the defeat of plans by a of prudent acquisition, followed by stringent cuts and careful investment in new plant and processes, and healthy growth in earnings per share. And thus far all its growth has been gleaned in a hostile climate. This year, for the first time, the climate is more favourable and surer-cuts and investment in measurer it in a first Northern Finance Corporation.

completed—is in an enviable position to take advantage of volume growth. Acquisitions apart, with projected profits of £20m the prospective p/e is an undemanding 14.5 on yesterday's share price which fell by 3½p to 277p. The only questionmark hovering over the comment of the fell by the based in Edinburgh which was set up by Mr Hamish Grossart and Mr Hugh Barry, formerly directors of the Edinburgh merchant bank, Noble Grossart. Last December EFT bought 30 per cent of FNFC. With an option to buy the rest. day's share price which fell by 3½p to 277p. The only question mark hovering over the company—and over all its fellow engineering conglomerates—has been whether it could sustain that growth in the long term. In Suter's case at least, the City now seems prepared to suspend its disbelief.

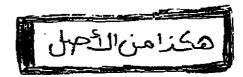
bought 30 per cent of FNFC. with an option to buy the rest. That purchase led to the decision by the board of EFT to give up its status as an investment trust, liquidate the bulk of its portfolio and create an investment banking and corporate finance division around FNFC.

· But the proposed change of strategy for EFT was opposed by Mr Judge's consortium, which includes Checkpoint Hong their board's proposal that it Kong Lord Tanlaw's 1965 settle-should give up its investment ment, and Waverley Asset trust status and concentrate Management, a fund manage-instead on providing financial ment group based in Edinburgh.

Lord Sanderson of Bowden, chairman of EFT, told share-

The EFT board's own pro-posals were launched with the backing of the trust's major shareholders, including Equit-able Life and Capara Invest-ments, which meant that it had more than 32 per cent of the equity in its favour. Yesterday Lord Sanderson said that he had proxies for 12m to 13m shares in favour of the board's plan.

A set of resolutions put forward by Judge Corporation, Mr Judge's company, was with-drawn and not put to a vote. It asked shareholders to replace EFT's directors with a group led by Mr William McLucas, manage



#### **Summary of Results**

Year ended 31 December	1986 £m	1985 £m	
Turnover Profit before taxation	134.4 14.9	110.0 9.5	+22% +57%
Profit after taxation	10.7	6.2	+73%
Earnings per share (fully diluted) Dividends per Ordinary share	14.7p 4.2p		+27% +20%†

#### The Chairman, Mr. David Abell, reports:

- ★ Excluding impact of UKO International acquisition, Group pre-tax profit increased by 38% in generally difficult market conditions. Improvement in the longer established Suter businesses is even more marked.
- ★ †Dividends represent 20% increase following 1-for-5 scrip issue in June 1986. Further 1-for-5 scrip issue proposed for May 1987.
- $\star$  Encouraging start to 1987, which is expected to be another year of considerable success. Copies of the full Annual Report & Accounts 1986, which will be posted to shareholders not later than 27 April 1987, may be obtained from The Secretary, Suter p.l.c., The Priory, Market Place, Grantham, Lints. NG31 6LJ.



organic, has been the driving SUMMARY OF RESULTS Year to 31 December 1986 1985 1986 £m £m change 481.5 +12.8%543.2 Turnover 29.7 +32.7% Profit before tax 39.4

 $7.5\overline{p}$  $6.2^{-}$  +21.0% Dividends per share Return on capital employed 19.8% 16.1% +23.0%force behind an increase in earnings per share from 7.9p in

1982 to 17.2p in 1986.

At the same time, by operating in a number of well-chosen geographic areas and carefully selected market sectors, TDG has ensured that investment risks are spread.

No wonder our shareholders like what they see on the end of the fork.



Earnings per share

For more information about the Group, and for a copy of the Annual Report 1986, please write to Transport Development Group PLC, Windsor House, 50 Victoria Street, London SW1H ONR.

12.4p + 38.6%

Transport Development Group PLC

# Pearson improves by 11% to £121m

BY MARTIN DICKSON

Pearson, the publishing, banking and industrial group, yesterday announced 1986 pretax profits of £121.1m, up 11 per cent on 1985's £109.3m. A strong performance by its information and entertainment division—particularly by the made a hostile bid in his life Financial Times—and by its and was unlikely to do so now merchant banking interests out in a foreign country. weighed the impact on its oil subsidiaries of the sharp drop

subsidiaries of the sharp trop in crude prices.

Earnings per share were up 25 per cent at 37.4p (30p) and the final dividend is 7p (5.75p), making 12p (10p) for the year, an increase of 20 per cent.

The figures were towards the upper end of analysts' expectations out some tions, after stripping out some £3.3m of savings on pension fund contributions. There was also a £3.7th profit contribution from land sales. But the shares closed at 574p, down 15p on the

man of Pearson, said yesterday in response to questions that there had been no recent significant changes in the company's share register.

Mr Li, he said, had never made a hostile bid in his life

in a foreign country.

Pearson's information and entertainment division pro-duced 1986 trading profits of £70.3m, compared to £49.9m the year before. The company de-clined to break this down clined to break this down further, but said the Financial Times, which had produced "extremely good" figures, was the largest contributor. This was its third successive year of record profits and circulation. It had made more profits in the past two years than in the previous 25. previous 25.

closed at 574p, down 15p on the day, on profit-taking.

Pearson has long been the subject of bid rumours and thes intensified last year when Hutchison Whampoa, the Hong Kong group controlled by Mr Li Rashing, built up a 4.9 per cent stake in the company.

previous 25.

The paper is making a £70m investment in new printing technology at a plant in docklands. Pearson's 1986 figures include a £28m extraordinary provision for the cost of discontinuing the FT's printing operation at its Bracken House headquarters. Net of tax relief

the year have been cut to 59.1m by offsetting gains on the sale of its Fairey engineering compan-ies and some of its provincial newspapers. In 1985 their was a £11.5m extra-ordinary profit. Lord Blakenham said the

group's provincial papers had improved their profits substantially, while took publishers Penguin and Longman had strengthened their US opera-tions by acquisitions, which should ensure healthy US profits coming through in the near future.

Trade publishing generally had been sluggish in 1986 but Penguin had enjoyed an upturn in the last quarter which had continued into 1987. Pearson's investment banking

Pearson's investment can and pearson's interests, through the Lazards houses in London, Paris and New York, produced profits of £28.4m last year, against £22.7m in 1985, and the company said increasing co-operation between the three placed them in a strong position to take advantage of the growing inter-

But Lord Blakenham, chair-this is £18m. But Pearson's nationalisation of financial pan of Pearson, said yesterday overall extraordinary losses for markets. Pearson's Royal However. Doulton fine china business saw profits fall last year from £18.5m to £16.5m as it was hit

by a large drop in the number of US tourists visiting Britain.

The group's oil industry profits dropped from £19.6m to £6.5m. The discontinued Fairey businesses produced profits of £4.9m (£13.2m), and other interests loss expertes contriinterests less expenses contri-buted £5.5m (£0.7m).

totalled interest Group turnover £952,6m (£970.1m) charges were film (£15,3m) and the tax charge was £44.5m (£46.5m). Exchange rate movements reduced profits by some 54m compared to 1985. Overall net borrowings were

duced from £123m to £75m during the year, resulting in a debt/equity ratio of 16 per cent at the year end. Shortly after the year-end, liquidity was further improved by the receipt of 248m from the sale of the engineering interests.

As for 1987, Lord Blakenham said: "So far, so good."

# Electronics boost lifts BSR into profit

BSR International, the Hong executives had expended con-Kong-based electronics group, moved back into the black in compared with restated pre-tax group to develop further its losses of £7.4m last time. City analysts had expected profits of \$10.000 mainstream business and its mainstrea £12m. Turnover jumped by

In 1985 the company's elector The heavy net bank borrowings tronics interest had shown a of £34.7m at the end of 1985 had loss of £13.8m; in 1986 this had been reduced to £18.6m, partly been turned into profits of through the injection of profits. Sm on turnover up from ceeds from the sale of the com-

siderable personal energy and effort to conclude the rationali-

Mr Bill Wyllie, chairman, 1986 on restructuring the said that BSR had benefited from the worldwide improvement in the electronics industrial. 93.7m to £129.8m. pany's Capetronic group of He said that the directors and electronics subsidiaries based in

Taiwan for \$12.25m (58.5m) in

He added that a further inflow of £16.2m, resulting from the sale of the remaining 40 per cent shareholding in Tenby Industries, would almost eliminate these borrowings early in the current year.

BSR sectors reported as follows: sound and vision, £1.7m (£5.7m) on turnover of £148.1m (£102.9m); communications, £300,000 (£400,000 loss) on turnover of £17m (£2.2m); housewares £900,000 (£400,000 loss) on turnover of £35.8m (£31.4m); and industrial, £2m (£1.5m) on turnover of £15.8m (£31.6m) £15.3m (£31.6m).

Exceptional items brought in

£1.3m (£900,000 debit) and interest charges fell £900,000 to £5.7m as a result of lower interest rates. Investment in research and development took £6.5m (£6.1m).

An extraordinary debit of £300,000 consisted of exchange losses incurred by Capetronic group's audio businesses in Stourbridge, Worcestershire, and North America.

Tax took £1.2m (£400,000) and earnings worked through at 10.5p, compared with a loss of 6.4p last time. The proposed gross final dividend is 2.1p (1.85p), making a total of 2.7p

#### Wardle Storeys' record attacked by Chamberlain

components and adhesives group currently fighting off a bid from budding industrial conglomerate, Wardle Storeys, forecast a 29 per cent earnings forecast a 29 per cent earnings price—Wardle up 5p at 438p, per share increase for the current year in its defence document issued yesterday.

The light's thought and the price—Wardle up 5p at 438p, and Chamberlain up 5p at 141p rent year in its defence document issued yesterday.

The light's thought and the price—Wardle up 5p at 438p, and Chamberlain up 5p at 141p rent year in its defence document issued yesterday. Pre-tax profits are forecast to

rise 12 per cent to £5.75m from the previous year's £5.1m, thanks to an improvement in

stage.
Mr David Chamberlain, the group's new chairman, attacked the record of Wardle Storeys and repeated his view that the bid had no industrial logic. Wardle, which yesterday des-

Chamberlain Phipps, the shoe cribed the forecast as disappointing, is offering three of its ordinary shares for every 10 in Chamberlain. On the basis of last night's closing share

Halma purchase

Halma, the specialist health, the general industries division safety and security group, has and a reduction in the interest moved into the ultrasonic cleaning and welding industry by The boost to earnings per buying Kerry Ultrasonics, a subshare will largely be due to a sidiary of Burmah Oil, for tax charge, down to around 36 £3.15m.

cent forecast at the interim LINCROFT KHLGOUR, now 98.6 per cent owned by Priest Marians, produced turnover £8.6m in year ended September 30, 1986 (£8.2m) and pre-tax profit £1.37m (£1.34m). Earnings 21.4p (19.4p) per

#### Successful litigation gives Renishaw interim boost

SUCCESSFUL patent litigation gave Renishaw, manufacturer of machine tool measurement probes, an interim profits boost of £2.4m to £4.2m, 89.5 per cent higher than 1985's figure of

The company received £3.51m from GTE Valeron Corporation as a result of its past infringament of patents owned jointly by Renishaw and Rolls-Royce.

Legal costs took £171,000, and the relocation and re-organisation of Renishaw-MAE took £950,000, leaving an excep-tional credit of £2.4m.

Turnover in the six months to December 31 1986 rose 19.8 per cent to £10.18m. Profit on tional items amounted to £1.8m, 18.4 per cent lower than 1985's figure of £2.21m.

**€** comment

Renishaw, it seems, can do no 1987/8 wrong. MAE continues to eat beano.

up profits, following last year's £400,000 trading loss with a further £300,000 loss and £950,000 in reorganisation costs; sales of existing products fall short of expectations in response to the downturn in machine tool sales; R&D costs mount and the launch costs of new products still have to be taken on the chin; and yet the share price rises by nearly 10 per cent to 294p. The current year is set to be a disappoint-ing one, with only the £3.3m legal settlement saving the group from the ignominy of a sharp downturn in profits.

Probably £8m is in sight, for a
prospective p/e of 16. If that
looks high, it is because this is and is now seen to be well Renishaw's technology is strong patented, so if those new products live up to expectations and colncide with a resurgence in the capital goods sector, 1987/88 might just provide a

# Belgian stake leaps to 22%

Tractebel and Groupe Bruxelles Lambert, the pair of Belgian companies which are persuing Imperial Continental persuing imperial Continuous Gas, amounced yesterday that about half of their partial tender offer for the company had been taken up.

As a result, the Belgians' holding in IC Gas has increased from 15 per cent to 222 per cent. Sammared to the 22.2 per cent, compared to the 29.3 per cent that they were out to capture.

Mr Dillon Read, one of the advisers to the Belgians, said yesterday that the tender had taken the companies "some way to achievin giheir objective," which was to prevent IC Gas's substantial Belgian investments from falling into the wrong hands. "As 22 per cent we are well placed to exert a major influence,"

It is uncertain whether the he is uncertain whether the Belgian companies will follow the tender with a full offer for IC Gas. Mr Read said yesterday: "At the moment we are not sure where to take it from here" and added that a decision would probably be

made today.

The parcial success of the 710p tender offer contrasts to the failure of a similar tender at 700p by SHV, a private Dutch company, which last Wednesday announced that it had failed to win even the minimum number of accep-

It is now doubtful whether SHV will make a second attempt to acquire a large nart of the company. On Friday it said that it did not plan to scupper the Belgians' offer by launching a higher one, but maintained that it was keeping its options open. The company also said it had "no current intention"

nag no current intention" of making a full bid for the company, although this could presumably be reversed if the Belgians decide to make a full bid.

Yestreday IC Gas shares dipped 7p to 713p.

Metalrax

Metalrax Group, specialist engineer, has reported pre-tax profits for 1986 of £4.16m, up from £3.68m adjusted for two acquisitions during the year. Turnover increase from £37.08m to £38.78m.

Earnings per 5p share were 7.04p (5.99p). The directors are proposing to increase the final dividend from an adjusted 1.6p to 1.9p making a total for the year of 2.63p (2.23p). They are also recommending a one-for-10 scrip issue, the 18th year in succession that one has been

The tax charge was £1.55m (£1.45m) and dividends absorbed £974,000 (£802,000) leaving profit for the year at £1.64m against a comparable £1.42m.

BLUE CIRCLE Industries: Adelaide Steamship's wholly owned subsidiary, Ashburton Pty, is no longer interested in any shares of the company.

# APV's offer for Baker Perkins unconditional

borough engineering Baker Perkins unconditional, after receiving acceptances from holders of 51.7 per cent of Baker's shares. Shortly before, Hollis Group, the vehicle for publisher Mr Robert Maxwell's expansion into engineering, announced that it would be accepting in respect of its 10 per cent holding in Baker. However, acceptances on behalf of this holding

Pergamon, Mr Maxwell's

private company, said it had recently held discussions with certain substantial companies

involved with food processing

machinery," one of which is

thought to have been a Swedish company. The plan would have been to mount a joint offer for

Baker Perkins, Hollis and

Pergamon retaining the print-ing machinery division.

APV Holdings, process plant though only about one-fifth of paper offer in respect of the engineer, yesterday declared sales. Mr Maxwell's publishing Hollis stake, which would give its £147m offer for Peter- interests, including BPCC, are the company a four per cent substantial customers of Baker holding in APV.

"We do intend to increase this," he added, "and we may go over the five per cent level." Sir Ronald McIntosh, chairman of APV, had reassured Pergamon that APV regarded BPCC as an important customer and the trading relationship would continue, he added.

Sir Ronald said that he was "not in the slightest bit worried" about the Hollis the figures published yesterday.

A statement from Hollis explained that its principal interest in Baker had been the printing machinery division, which accounted for more than which accounted for more than 70 per cent of 1985/6 profits,

> The WPP whiriwind continues. It is less than two years since Martin Sorrell and Preston

#### WPP in \$31m US expansion • comment

as the UK's second largest marketing services company WFP has turned its sights on

wFP has turned its sights on the US with the purchase of two graphics and design com-panies for a maximum \$30.5m (£19.32m).

The acquisitions, numbers 14 and 15 in the last two years, were announced on the same day as the results for 1986 showing pre-tax profit increased by more than four times to £1.76m (£412,000). Turnover

rose by almost six times to £23.69m (£3.96m). The earnings per 10p share came out at 13.34p (5.73p) after adjustment for last year's rights issues. The directors are pro-posing an increased final pay-

ment of 1.95p (1.54p), making a total of 3.2p (2.64p). WPP is buying Sidjakov Berman Gomez & Partners, corporate identity and packaging design company based in San Francisco, for an initial \$4.2m cash and further profit-related payments in shares and cash to a maximum of \$15.5m. Sales for on the have grown from \$1.8m in 1982 and Mr to \$5.7m in 1986 with profits folas the Urising from \$155,000 to \$880,000 controller.

in the same period.

Walker Group/CNI, retail
design, based in New York and design, based in New York and Los Angeles, has seen sales increase from \$5.8m in the year to end-February 1983 to \$8.5m forecast for the year to the end of February 1987. During that time a loss of \$45,000 became a projected profit of \$700,000. WPP is paying an initial \$3.5m cash with further profit-

cash to a maximum of \$15m. The initial cash payments and part of the future payments are to be financed by the placing of \$15m of 8.75 per cent loan notes with detachable warrants by Rasor, WPP's US holding company. The warrants will be con-vertible into ordinary shares at about 1140p.

Agreement has been reached in principle for the loan notes and warrants to be placed with a major US pension fund. The group also announced that Mr Daniel Morris has been appointed non-executive direc-tor on the US holding company and Mr Michael Rubinstein joins the US group as financial

Rabi sarived at the company but during their stewardship the shares have risen in value by more than 20 times. With the price at 975p yesterday and analysis expecting 57m for the current year the prospective p/e is an awesome 33. The main factor behind the high related payments in shares and rating is the reputation Mr Sorrell acquired at Saatchi and Saatchi for his ability to guide an ambitious acquisition pro-gramme. But WPP has chosen its by messes well: in the domi-nant marketing services division no market is growing by less than 15 per cent annually and incentive and motivation is showing expansion of between 25 and 35 per cent. This year to more than double even with-

> evitable boost they will receive from a further round of acquisitions. The shares will perhaps not grow as fast as they have done in the past 22 months but they seem certain to continue outperforming the market.

on the boost they will receive

#### Mallett heading for City with £16.6m market value

BY RICHARD TOMKINS

seeking a full listing unstock market, yesterday unveiled the prospectus for its flotation at a market capitalisation at a market

Mallett, the antique dealer 40 New Bond Street and Bour-seeking a full listing on the don House, off Berkeley Square, stock market, yesterday un-

Lloyds Merchant Bank is Pre-tax profits have risen placing 6.24m shares, or 45.2 from £734,000 in 1982 to £1.56m of the enlarged equity, at 120p in the year to last December a share. Two-thirds of the but the historic price/earnings a share. Two-thirds of the but the instoric price-rearming shares are being issued by the multiple has been calculated company and the rest are being before an exceptional item of market price of 93p, up 10p, puts 2487,000 and is given as 12.2. including Sears, the stores and the proceeds of the placing quall and Quarius plan to 2005.

including Sears, the stores and shoes group.

Mallett claims to offer rowings and unsecured loan antiques of unrivalled quality stock and to provide working and range from its premises at capital.

The proceeds of the placing will be used to repay bank bormaintain their holding at 28.5 per cent by taking up additional shares under Tyzack's current offer to shareholders.

#### Tyzack loses one investor but gains two more

by Clay Harris

W. A. Tyrack, the Sheffieldhased engineer, has lost one
large offshore investor and
attracted two new ones. Quail Investment Company, hased in Nassau, and Quarius Investments of Jersey together have bought the 29.56 per cent stake formerly held by Gild Investments of Monaco.

The two investment groups Quail and Quarius plan to maintain their holding at 28.5

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This advertisement does not constitute an invitation to any person to subscribe for or purchase shares. Application has been made to the Council of The Stock Exchange for the Ordinary share capital of Mallett PLC, issued and now being issued, to be admitted to the Official List.

#### MALLETT PLC

(Incorporated in England and Wales under the Companies Acts 1948 to 1981. Registered No. 1838233)

Placing by LLOYDS MERCHANT BANK LIMITED

of 6,240,000 Ordinary shares of 5p each. at 120p per share

Share capital

Issued and now being issued, fully paid in Ordinary shares of 5p each £690,003

The Mallett Group, one of the oldest established antique dealers in the United Kingdom, deals in high quality antique furniture and works of an, specialising in the eighteenth century and Regency periods.

Lloyds Merchant Bank Limited has placed 6,240,000 Ordinary shares as to 75 per cent. through Greenwell Montagu Securities and as to 25 per cent, through Panmure

Gordon & Co. Limited as part of the Placing arrangements. Listing Particulars relating to the Company are contained in new issue cards circulated. by Extel Statistical Services Limited and copies of the Listing Particulars may be obtained during normal business hours, up to and including 31st March, 1987, from:

Lloyds Merchant Bank Limited, 40-66 Queen Victoria Street, London EC4P 4EL

Greenwell Montagu Securities, Bow Bells House, Bread Street, London EC4M 9EL

**Authorised** 

£1,200,000

Pantrure Gordon & Co. Limited, 9 Moorfields Highwalk, London EC2Y 9DS

and, during normal business hours on 18th and 19th March, 1987, from:

The Company Announcements Office, The Stock Exchange, Throgmonon Street London EC2P 28T 17th March, 1987

U.S. \$75,000,000



Banco Mexicano Somex S.N.C. Floating Rate Notes Due 1991

In accordance with the provisions of the Fiscal Agency Agreement between Banco Mexicano Somex S.N.C. and First Interstate Capital Markets Limited, dated as of 4th Septemher; 1986 notice is hereby given that the Rate of Interest for the next six month Interest Period has been fixed at 7%% p.a. and that the interest payable on relative Interest Payment Date, 18th September, 1987 in respect of U.S. \$100,000 nominal amount of the Notes will be U.S. \$3,705.56.

Reference Agent

1. First Interstate Capital Markets Limited

# SPONSORED SECURITIES

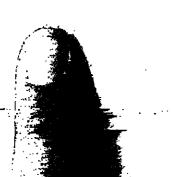
1	•					Gross	Yleid	•
1	High	Law	Company	Price	Change			
1	161	118	Ass. Brit. Ind. Ordinary	160	_	7.3	4.6	
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1	40	28	Armitage and Rhodes	36	+1	4.2	13.7	5.0
ı	80	64	BBB Dealgn Group (USM)	· 76	+1	1.4	1.8	18.1
1	221	166	Bardon Hill Group	221	_	4.6	2.1	25.1
	108	55	Brey Technologies	106	<u> </u>	4,3		
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1	107	86	CCL Group 11pc Conv. Pf	.99		15.7	15.9	_
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1	125	75	George Blair	· 89.	· —	3.8	4.8	2.3
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ı	176	121	tais Group	121	<u> </u>	18,3	_	
1	124	701	Jackson Group	122	+1	6.1	5.0	8.3
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1	91		United Holdings (SE)	91	+1	2.8	3.7	16.8
	129	65	Waiter Alexander	127	_	5.0	3.5	12.2
			M4 4 M			:		

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### **UK COMPANY NEWS**

**Offshore** 

bids £2.2m

for GAST

Guernsey Atlantic Securities Trust, a small offshore invest-

turned at 330p.

For shareholders in GAST,
many of whom are clients of
London stockbrokers Laurence

The first occasion was when the ill-fated Sturla Holdings made a £1.4m bid for First

Yesterday, Mr Bill Stuttaford,

Results from GAST yesterday showed an increase in net asset

value from 194p to 228p during 1986, but a drop in pre-tax revenue from £30,655 to £29,419.

There is no dividend for the year (2.8p).

In our article of March 10

entitled "Hanson poised to sell Finlays 292 shops" we incor-rectly suggested that CTN Retail was a company belonging to Mr Arubbai Jashbhai Patel

and that following a purchase of some Finlays shops last year by CTN Retail Mr Patel was re-

sponsible for the loss of the jobs of 34 out of 38 managers.

Mr Patel has no connection with CTN Retail other than as auditor and professional adviser and as such has no

Mr A J Patel

similar lines.

trust

By Nikki Tait

stake.

# **Enlarged Meggitt shows** 68% annual advance

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Meggitt acquired Bestobell at the end of last August after a hotly contested battle. With effect from January I Bestobell had been incorporated into the divisional structure. That was already demonstrating benefits as new market and product opportunities were developed and exploited, the directors said. The level of orders in the divisions showed steady improvement in the early months of this year and the directors viewed the future with confidence.

original Meggitt companies and a significant recovery in profitability in the Bestobell group, enabled the merged Meggitt Holdings group to lift its pretax profit by 68 per cent on an annualised basis.

Actual accounts run for 14 months ended December 31 1986, and included Bestobell for the same period. Group turnover came to £202,78m and the pretax balance to £13.53m. In the previous year they produced £175.14m and £6.9m on a merger basis, while Meggitt's figures alone were £28m and Expansion at both Avica

Expansion at both Avica and Silicone Engineering required relocation to larger premises; the estimated cost, which the Bestobell board had not foreseen at the time of the offer, had been included as a charge in arriving at the

Prior to the Meggitt offer, a number of Bestobell's overseas operations, notably Singapore and certain engineering activities in Australia, were either shut or sold. The £1.25m costs had been treated as extra-

FURTHER GROWTH in the original Meggitt companies and a significant recovery in profitability in the Roseball recovery in the Roseball

a full contribution for Australian operations,
Meggitt had decided not to
take credit for the "pension
holiday" that the previous
board of Bestobell had proposed and included as part of
its profit forecast.

Extrapolating the profits fore-casts which Meggitt and Bestobell put out last year would have produced a combined total for the 14 months of nearer £16m than the £13.5m reported. Bestobell's forecast, however, included an £872,000 pensions holiday which Meggitt has now deferred, and did not provide for reloaction costs at Avica and Silicone Engineering which have taken another £500,000 out of the pre-tax figure. Given that the extra two months in the year were dull November and December, then, the out-turn was not at all bad. The current was not at all bad. The current year looks set fair for around £16m from the existing activities, putting the shares, up 7½p at 176½p, on a prospective p/e multiple of 19 after a 35 per cent tax charge. That might look a little rich, but the market is already look. The dividend is being improved on the forecast; the final is 1.25p for a net total of 1.75p, against 0.75p for the previous year.

Meggitt's substantial cash Meggitt's substantial cash balances, combined with good cash generation by Bestobell and possible posal of the rubber and prospective p/e multiple of 19 after a 35 per cent tax charge. That might look a little rich, but the market is already looking ahead to the next deal: and with Meggitt running a cash surplus and Bestobell already were in final stages for the disposal of the rubber and far away.

# Pulp price rise helps Eucalyptus

price of wood pulp helped Eucalyptus Pulp Mills to double pre-tax profits for 1986. The directors of this Bahamas-based company, which makes pulp from eucalyptus wood in Portuout at 140.1p (59p). gal, are proposing to increase the total payment of 20p gross against 7p with a final dividend

A five-for-one share split is also proposed by the company which is 42.6 per cent owned by Ibstock Johnsen. The shares

A STRONG recovery in the rose by £11 to close at £10f. Turnover improved from £24.79m to £29.68m, giving pretax profit of £5.9m, against charge down to 5 per cent of £2.9m. Earnings per share came pre-tax profits.

> Mr Paul Hyde-Thomson, chairman, said turnover rose by 20 per cent on volumes similar to the previous year. Investment in recent years had helped productivity and enabled increases in manufacturing costs to be held at modest levels. Notable held at modest levels. Notable (£179,505). leaving attributable savings in distribution costs profit of £5.22m, against £2.2m.

The tax allowances in Portu-gal for investment kept the tax

Operating profit was £6.27m (£3.34m) with a further £270,377 (£37,952) from a reduction in the provision for unrealised exchange losses. The interest charge was £635,485 (£479,629). Tax was £289,601 (£527,040) and minorities took £396,571

### **COMPANY NEWS IN BRIEF**

PACIFIC SALES Organisation interest costs. Company's (distributor of leather and shares traded on USM. Interim dividend 1p (same) for half year to December 31 1986. distribution and specialist turnover £2.69m (£2.76m) and pre-tax profits £405,251 contract to acquire Radiant (£525,668). Earnings per 10p Superjet from Noveres for a conshare 5.18p (£34p) after tax of £145,019 (£208,804). Results affected by slight reduction in gross margins and increased UNIDARE (maker of electrical

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Lloyds Bank Plc

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Guaranteed on a subordinated basis by

**Guaranteed Floating Rate Notes due 1993** 

cables and transformers): Final dividend 8.5p making 11.5p (10p) for 1986. Sales 1£56.06m (1£53.61m) and pre-tax profit 1£3.84m 1£2.96m. (I£3.48m), against Earnings 23.21p (18.42p) per 25p share.

HODGSON Holdings has agreed terms for the purchase of W. H. Wigley of London for about \$415,000. This is the eleventh acquisition since Hodgson's float and it will have increased its annualised turnover by more

### responsibility for any redund-ancies which may have occur-red. We apologise to Mr Patel for this error.

fiths, a director, has transferred 15,221 ordinary, thereby reduc-ing his beneficial interest.

shares (4.73 per cent).

Mr S. J. Israel has disposed of 240,000 shares. He is the registered holder of 3,168,027

CHANGES in share stakes announced during the past week included:

Tranwood Group.—Mr J. N. Oppenheuim, chairman, purchased 300,000 ordinary, making his holding 3.5m shares.

Wooltons Betterware.—Chairman Mr R. C. Thornton holds 150,000 ordinary (company correction).

J. Sainsbury.—Sir Roy Griffiths, a director, has transferred 15,221 ordinary, thereby reducing his beneficial interest.

of 3,099,504 shares (4.625 per cent).

Microvitec.—Dr A. Martinez, the chairman, has purchased 50,000 ordinary, bringing his beneficial holding to 6,200,000 ordinary, bringing his beneficial holding to 80,000.

Pineapple.—The following directors have increased their

ing his beneficial interest.

Jack L. Israel.—Miss L. J.

Israel has disposed of 240,000 shares. She is now the registered holder of 3,168,027 shares (4.78 per cent).

M.S. I Israel has disposed of 240,000 increased her holding to 930,045 ordinary; deputy chairman Peter Bain has increased his holding to 948,778 increased his holding to 948,778 ordinary, and Don de Groot to

shares (4.73 per cent).

Mr S. J. Israel has disposed of 240,000 shares. He is the registered holder of 3,168,027 shares (4.73 per cent).

Mr M. K. Israel has disposed of 240,000 shares, he is the registered holder of 3.218,208 a director of J. Saville Gordon shares (4.8 per cent). Mrs L. E.

Barnett has disposed of 240,000 shares. In total, this shares. She is now the holder

# TDG slows in second half

IN A YEAR when "much went right," Transport Development hanced by favourable exchange Group lifted its turnover by 13 per cent and its pre-tax profit by 33 per cent for 1986.

In compiling the 1986 results, the figures for the first half

ment company whose shares trade on the Unlisted Securi-Following the halftime warning, the second half profit growth fell to 24 per cent after reaching 46 per cent in the opening period. For the full year turnover came to £543.2m (£481.46m) and the profit to £50 3.6m (£79.67m). ties Market, has agreed to a £2.24m bid from another offshore company, JCS Interna-tional. JCS was set up in Guernsey in 1981—the same year as Guernsey Atlantic—and is £39.36m (£29.67m).

Guernsey Atlantic—and is owned by Bermuda Trust Com-Sir James Duncan chairman, reported that changes of the past few years had produced results. Some seemingly intractable problems, like the losses of the parcels business, appeared to be well on the way to resolution. pany, the trust services arm of the Bank of Bermuda. The bid which offers share-holders 127 per cent of GAST's formula asset in cash, starts to resolution.

with acceptances from holders of 86.9 per cent of the company's shares, including directors who hold a 12.8 per cent On March 9, formula asset value was estimated at 260p, which makes the offer worth 331p a share. Yesterday GAST's shares, suspended since just before Christmas at 190p, re-

The UK accounted for 61 per cent (62) of profit, Europe 23 (20) per cent, and North America 12 per cent again. The chairman said excellent Prust, this is the second time their holdings in a quoted off-shore trust have been taken out at a substantial premium.

made a 21.4m bid for First Guernsey Securities Trust in 1981, offering a 20 per cent premium to net assets. The offer was duly accepted and within five mouths, former directors of that trust launched a director of GAST, said that the directors who will now resign from the board intended to form a third company along

the figures for the first half were restated using the exchange rates ruling at December 31 and allowing for the reduction in pension costs arising from the actuarial valuation. Pension costs were £1.94m (£2,73m) and redundancies £289,000 (£616,000).

After tax and minorities, the year's attributable profit turned out at £24.76m (£17.83m) for earnings of 17.15p (12.37p) per share. The final dividend is 5.5p for a net total of 7.5p, compared with 6.2p.

With the exception of Australia, whose contribution to the pre-interest profit fell from 6 to 4 per cent, the economies in which the group operated moved ahead quite strongly.

Comment

These figures show that the investment TDG is making in computerisation and the group-ing together of haulage operations is paying off. As the restrongly. tailers become more determined than ever to minimise stocks and to have overnight delivery. haulage is rapidly developing from "hire and reward" into a results came from many of the road handage companies in the a simple lorry operator to an UK, and the overall profit integrated better margin business based on long-term relationships with customers. Hownoticed an improvement in utivode an improvement in utivode an improvement in utivode in the extent to which it will take or share the financial and property development of the road of the string up to the contributor ways of the string true service business. TDG has read that sample lorry operator to an integrated better margin business based on long-term relationships with customers. How one in the extent to which it will take or share the financial and property development with integrated in the customers. cial and property development risks involved in the setting up Other UK contributors were risks involved in the setting up storage £12.66m (£12.68m), of dedicated distribution centres plant hire £2.4m (£1.28m) and to service specific retail chains. In time this attitude should have its own reward although E3.25m (£1.36m).

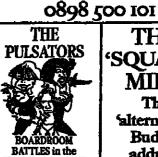
In the overseas markets, road have its own reward although it could well be at the expense haulage accounted for £11.97m of a few lost contracts in the (£7.36m), storage £3.67m short-term. Haulage margins (same), plant hire £163,000 look firm nonetheless and this (£213,000) and reinforcement year TDG should make £45m £2.94m (£2.85m). The Dutch which has the shares at 242p and French transport and on a prospective multiple of 13.

### **BOARD MEETINGS**

TODAY Interims: BM Group, Peterson Zochonis. Finals: AE, Cherterhall, Expamet Interioral, Jamesons Chocolstes, Kallock Trust, Laing Properties, Rotunde, Systems Designers: FUTURE DATES Interims— Bridport-Gundry Mer 23 CALA Mar 18 Silkolene Lubricants LWT Mer 19 Stocklake Mer 24 Mer 24 Mer 24 Mer 25 Stanley (A. G.) Tibbett and Britsen Watts Biske Beame Mer 24 Mer 24 Mer 24 Mer 25 Mer 26 Mer 26 Mer 26 Mer 26 Mer 27 Mer 27 Mer 28 Mer 28 Mer 29 Mer 29 Mer 29 Mer 20 Mer 20 Mer 20 Mer 20 Mer 20 Mer 20 Mer 21 Mer 21 Mer 22 Mer 22 Mer 24 Mer 25 Mer 26 Mer 26 Mer 26 Mer 26 Mer 27 Mer 27 Mer 28 Mer 2	Mar 25		

### CITY HEADLINES

**FUNNY MONEY** Nigel's Bodge-it' Special Those Budget details in full from our team at the Westminster Arms.



RUBBER INDUSTRY

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### CITICORP OVERSEAS FINANCE **CORPORATION N.V.**

(Incorporated with limited liability in the Netherlands Amilies)
U.S.\$100,000,000 Guaranteed Retractable Notes due 1999
Unconditionally guaranteed by

CITICORP

Notice is hereby given that in accordance with the terms and conditions of the Notes, the new Rate of Interest for the period April 15, 1987 to April 14, 1990 will be fixed by the Company and notice of the new Rate of Interest will be published on March 27, 1987.

By: Citibank, N.A. (CSSI Dept.), Agent Bank March 17, 1987, London

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# It's what the Chancellor doesn't say that's important

To understand the full implications of the Budget you need to read between the lines. Hoare Govett's clients will have their budget analysis on their desks by 9am Wednesday 18th March.

This analysis will be produced by Hoare Govett's UK Economics and Research teams led by: Roger Nightingale

**Bob Cowell Richard Jeffrey** 

Budget analysis is also available on TOPIC (18700) and PRESTEL (88170300).



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14th Floor, 7 Hannver Square, New York, N.Y. 10043;
Citicenter, 19 Le Parvie, La Defense 7 Parie;
Herengracht 545-549, Amsterdam 1017 BW; Lloyds Bank March 17, 1987, London Lloyds Eurofinance N.V. By: Citibenk, N.A. as Princips **CITIBANCO** 

# Lloyds Bank Pic (incorporated in England with Emilied Eablity) NOTICE IS HEREBY GIVEN that in accordance with Condition 6(b) of the Conditions of the above Notes (the "Notes"), Lloyds Eurofinance N.V. will redeem all of the Notes at their principal amount on 30th April, 1987. Interest due on such date will, as notified by advertisement of 31st October, 1988, be payable against Coupon No. 11, and payment of the principal amount will be made upon presentation of the Notes (with all unmatured Coupons attached) at any of the specified offices of the Paying Agents mentioned below—

# Cement-Roadstone

# Record profits in year of strategic acquisitions

•	1986	1985	Increase
Sales	IR £567.3m	IR£529.8m	+7.1%
Pre-tax Profit	IR£ 35.5m	IR£ 27.6m	+29.0%
Earnings per Share	12.15p	9.33p	+30.2%
Dividend per Share	3.70p	3.15p	+17.5%

"We have a strong balance sheet, a good cash flow and experienced competitive management. Our thrust is towards further expansion abroad."

Cement - Roadstone Holdings PLC

# Mrs Fields advances to \$17m

BY ALICE RAWSTHORN

debut on the USM last May, Randall yesterday announced a surge in creating 100 units in the US pre-tax profits to \$17.13m and 25 overseas.

(£10.85m) in 1986 from \$6.76m The company also expanded (£10.85m) in 1986 from \$6.76m

The company also expanded in the previous year. On a proforma hasis profits rose to \$18.81m, coppared with a proforma forecast in the prospectus of \$18.5m.

The company also expanded its product range. Muffins were tested in 1986 and will be introduced throughout the group in early summer. Candy and ice cream are also being tested and resummer.

most spectacular flops of 1986, begin later this year.

In recent months the company Mrs Fields has diversi has benefited from a re-rating. however, and this set of results

has 356 units in the US and 20 overseas, divided between Australia Canada, Hong Kong, Japan and the UK Mrs Fields

Rosehaugh makes open

offer to shareholders

Fields, chairman, \$1m (\$347,000).

The flotation was one of the tests of cinammon rolls will

Mrs Fields has diversified into the corporate gifts market and has become involved in its first helped boost the shares further by ip to 188 by yesterday.

Revenues rose from \$72.58m in Hong Kong. It hopes to conclude a series of similar joint to \$87.1m (£55.18m) last year.

The company opened 81 new stores, chiefly in the US. It now \$189.6m in 1986, general costs to \$41.89m (\$38.48m) and depresent the US. joint venture, with Dairy Farm

Earnings per share were 11 cents, or 12 cents on a pro-forma profits. The board plans to pay a final dividend of 2.25

According to Mr Fields the company has experienced excel-lent trading so far in the present year and he is very confident about the outcome for

comment

clude a series of similar joint ventures with US food groups. Atom of incredulity at the have yet to filter through we record, accusations of profits. Yet on projected profits (\$19.6m) in 1986, general costs to \$41.89m (\$38.48m) and depreciation to \$4.73m (\$3.5m), while fashioned xenophobia sufficed to sive and the stock market may bosses from closures fell to turn its flotation into one of the prefer to wait for evidence of most spectacularly unsuccessful further growth before indulging the shares in another rerating. Australia, Canada, Hong Kong, losses from closures fell to turn its flotation into one of the prefer to wait for evidence of Japan and the UK. Mrs Fields \$405,000 (\$577,000). From most spectacularly unsuccessful further growth before indulging intends to spend about \$25m on trading income of \$19.47m issues of the year. This set of the shares in another rerating.

Mrs Fields, US cookie com-new store openings in the (\$10.84m), interest deducted results, gleaned in an inclement pany which staged a disastrous present year, according to Mr \$2.33m (\$4.09m) and taxation climate after the adverse publicity following the flotation; should dispel most of the lingering doubts. Meanwhile Ronald Reagan's tax reform has defused the threat of a rising tax charge. On fundamentals the prospects look excellent. Mrs Fields should sustain its present growth rate in the US for two or three years at least. Every overseas division operated at a profit for the first time in the final quarter last year, and should produce US-style return from 1989 onwards. When Mrs Fields first surfaced The recent rush of new stores in London last year a combinopenings and new products ation of incredulity at the have yet to filter through to

# Erskine House in US expansion

The open offer to share-holders in Rosehaugh, the prop-Erskine House, photocopier pay three times the pre-tax the year to April 1990. nd security group, is buying profits, expected to be about In the year to April lirex, a Texas-based company £2.7m, plus £2.8m for assets. In Mirex recorded pre-tax erty group, will permit applica-tions up to a maximum of 28 and security group, is buying Mirez, a Texas-based company selling and servicing copiers for a maximum \$16m new shares for every 100 cur-The open offer follows Rose for a (£10.13m). haugh's £90m recommended bld
—a disguised rights issue—for
General Funds Investment
Trust earlier this month. The

(£10.13m).
It is Erskine's second US acquisition following the purchase in September of Zeno Group, the US's largest Sharp photocopier dealer. The deal will be financed with cash shareholders to take Rosehaugh paper or cash worth 100 per cent except for \$1m in new Erskine shares isst/i to Mr Dennis Berman, president and sole shareholder of Mirex, at 201.6p of formula asset value. Those shares issued to meet the cash alternative will be available to Rosenaugh's existing share-

subsequent years the group will pay a multiple of the increase in pre-tax profits. The multiple will decline to one by 1990. If profits fall, Mr Berman will have to make a repsyment.

The maximum consideration is equivalent to Mirex achieving a pre-tax profit of \$5.7m in 1990.

The formula gives a prospec-tive exit multiple of four times holders through the open offer, at a price of 675p each.

Yesterday, Rosehaugh shares were trading at 720p.

Yesterday the open offer, per share.

The exact cost will depend on the performance of Mirex up to is paid, the multiple falls to 2.8 times the open offer.

The exact cost will depend on the performance of Mirex up to is paid, the multiple falls to 2.8 times the open offer.

In the year to April 1986, Mirex recorded pre-tax profits

of \$1.3m on a turnover of \$10m. The purchase complements the activities of Zeno and reflects Erskine's policy of ex-tending its copier business in the US through acquisitions.

"It is an extension of our customer base and one which will help us by the interchange of ideas, increasing the profit-ability of both Zeno and any other American acquisitions we wish to make," said Mr Brian McGillivray, chairman

Shares in Erskine closed up

# Nash Industries £5m rights

Nash Industries signalled its sidlary, according to Mr David intention yesterday to strike Mends, finance director. Barpak yest out on the acquisition trail. has depots in Grantham, had the packaging, engineering and Coventry and Newcastle. Its fits construction group is to raise customers include the Ministry contribute issue. rights issue.

The proceeds will be used to elminate net borrowings, which solid-fuel boiler activities of had already fallen to £2.6m last Rockinson Bennis, and metal

of Barpak, its packaging sub- flotation, Mr Mends said.

The company would also consider acquisitions to add to the

Mr J. F. Nash, chairman, said yesterday that the current year had started well, with the bene-fits of rationalisation continuing to enhance performance.

The rights issue at 125p, against yesterday's market price 4p lower at 188p, is elminate net borrowings, which had already fallen to £2.6m last month from £3.2m in September, and to seize opportunities for expansion and diversification, the company said.

Nash was looking especially to expand the regional reach of Rayrok its nucleoning sub-

### Star Computer

Star Computer Group is to buy Orchard Management Ser-vices for £500,000 in a deal that will bring together two leading suppliers of computer systems

Star specialises in multi-user UNIX systems, while Orchard designs and licenses specialist MS-DOS software. The group should be well placed to take advantage of the expected convergence of the two operating standards, Star said.

The purchase will be funded through the issue of 360,000 shares, worth £453,600 at Friday's closing price of 126p, plus sufficient additional shares to raise the total to £500,000.

# Tesco is expecting profits of £166m

By Nikid Tait

TESCO, the supermarket chain which last week lemched a £184m bid for Yorkshire-based Hillards, is forecasting pre-tax profits of £165m for the 53 weeks to end-February 1987.

The forecast comes in the Hillards, released yesterday. It compares with most analysis' estimates of £160m, and with £122.9m achieved in the previous 52-week period.

Figures for both years are struck before any property profits; these added another £8.3m in 1985/86, and are expected to chip in £9m to the 1986/7 figure. The 1986/7 profits, however, allow for the deduction of £2.6m to fund the company's new employee prefit-sharing scheme, but benefit to the tune of £2m from the dis-posal of the Victor Value stores and the Tesce Ireland

Yesterday, Mr Ian McLaurin, chairman of Tesco, said that the net margin dur-ing the year had improved by around 1 per cent to 4.6 per cent due to increasing efficiency—notably on the distribution front where some 70 per cent of produce is now delivered centrally.

Nevertheless, shares rose a further 4p to 325p on thoughts that Tesco may have to offer more to secure its target. Tesco shares —which have risen some 20p since the offer was announced —lost 3p to 495p.

Yesterday, County Bankwhich is advising Tesco-amounced the purchase of a further 150,000 Hillards' shares, taking the total holding to 5.1 per cent.

### Brierley purchase

IEP Securities, part of the Brierley group of companies, has taken a 9.2 per cent stake in Union Discount, one of the four remaining inde-pendent discount houses. A large part of the 1.15m shares involved were purchased at £8.50 each from an institution in the middle of last week while Mr Ron Brierley was on a visit to the UK.

# All-sector improvement lifts MAI 47% to £24m

BY CLAY HARRIS

advertising group, increased interim pre-tax profits by 47 per cent to 224.1m (£16.4m), show-

Europe, corporate bond brokers, achieved record results to lift securities and money broking profits to £15.4m (£10.7m). Personal financial services achieved the biggest increase, to £3.6m (£735,999), reflecting the £2.8m contribution from

credit company bought in February last year. Media made profits of £3.74m (£3.16m) and market research £932,000 (£732,000). With 62 per cent of profits arising from outside the UK exchange rate fluctuations had

Wagon Finance, the instalment

MAI, the financial services and poster and promotions group advertising group, increased taken over in Jenuary, would interim pre-tax profits by 47 per begin to contribute profits from the beginning of the new finan-

ing growth in all divisions.

Turnover advanced by a similar 46 per cent to £140.8m (£96.5m) in the six months to December 31.

Garban, US Government securities interdealer broker, and Gintelco and Guy Butler Europe, corporate bond brokers.

Schlaman and single largest outdoor poster con-tractor, to be reduced to a net £20m once reorganisation and sales of certain sites are com-

Media interests, apart from posters, have been combined into Pearl & Dean Enterprises. This side the stadium heardings, showcases and specialist publications acquired as pert of LCAH to the existing cinema advantage to the existing cinema advertising business.

After net interest receipts of \$438,000 (£1.03m) and a tax charge of £9.05m (£5.88m), after-tax profits rose to £15.08m

Earnings per share rose nearly 20 per cent to 25.7p (21.5p) with an interim dividend 50 per cent higher at 60 (4p).

MAI has shaken off its paperpromiscuous reputation (not really deserved in light of how smartly it brings through how smarty it strings mough the earnings) just as its money-broking performance began to creep out of Exco's shadow. The numbers may be smaller, the City now realises, but the management skills and financial controls can hold their own in the competitive US market. Exchange-rate turbulence, moreover, should create more oppor-tunities than dangers. The LCAH deal, meanwhile, may turn out to be less notable for poster supremacy than for the hroad range of specialised advertising and promotional media that MAI has now assembled. The second half is a "broadly neutral" effect, with the pound's weakness against the yen and continental to 6290,000 (285,000), and surge, but £50m pre-tax is well surge, and continental to 6290,000 (285,000), and surge, but £50m pre-tax is well within reach. With the US written down.

An extraordinary credit of fixed through 50p, suggesting p/e of fixed the net through 50p, suggesting p/e of fixed the net through 50p, suggesting p/e of fixed through 50p.

# Hawtal Whiting up at £4.3m

Hawtal Whiting Holdings, utomotive design consultant, automotive design consultant, reported pre-tax profits ahead by 23 per cent from £3.52m to £4.34m in 1988. Mr John White-cross, chairman, said that most of the growth came from the design engineering sector helped by an increase in structural conference.

tural analysis work. He added that the company's investment in computer-aided

investment in computer-aided design equipment, on which £1.6m was spent during the period, was largely responsible for achieving the growth.

Turnover improved by 32 per cent to £34.49m (£26.17m) and earnings per 5p share came tut at 38.2p, an increase of 7.2p.

The directors are necessed. The directors are proposing to increase the single payment by

Mr Whitecross described the year as one of consolidation during which the Essex-based company moved from the USM to the main market, bought a prototype vehicle and parts facility, Tennant (Panels) and opened offices in Swindon and

He added that while General portion of turnover to 70 per Motors remained the largest customer, Hawtal was making This year, Hawtal should significant attempts to broaden

The tax charge was £1.67m (£1.51m) and with minorities taking £32,000 this time attributsble profit came out at £2.64m, against £2.01m last time. The dividend absorbed £572,000 (\$453,000).

comment

A company that depends for 95 per cent of its turnover on one per cent of its turnover on one customer and for 90 per cent on one division cannot be blamed for seeking to diversify its client base. Not that General Motors, Hawtal's prime customer, has treated the design group badly—it responded to an adverse shift in the exchange rate by allowing

the exchange rate by allowing a 9.5 per cent price increase. The problem for Hawtal is that GM tends to take the kon's share of any extra capacity it

cant rather minicult to achieve.
This year, Hawtal should
benefit from the first profits
from Canada and from the
reduction in major items of
expenditure like the £16m. spent on CAD equipment and the £319,000 spent on retraining staff to use it. Profits should edge up to around £5.2m which puts the shares, at 565p, on a prospective p/e of 11 which seems about right considering the dependence on GML

NA PARTY

3 7

GREAT Southern Group has acquired two funeral directors, Gerald Burden of Amesbury and Crews and Sons of Ex-mouth, for a total of £368,000. They are a prelude to several more planned acquisitions, of which the majority is con-centrated in the south-west.

RRITISH Renzal directors have noted the recent rise in the company's share price and have creates and that might make its said that they know no reason target of reducing the GM pro-

# **PEARSON** Results in Brief

1986 **£952.6m** £970.1m Turnover (excluding banking and investment income) £132.1m £124.6m Profit before interest Profit before taxation £121.1m £109.3m Profit after taxation and minority interests **£73.5m** £57.6m Earnings per ordinary share 37.4p 30.0p Dividends per ordinary share 10.0p 12.0p

Dividend

The directors recommend a final ordinary dividend of 7.0p net per share, payable on 29 May 1987 to shareholders on the register at the close of business on 1 May 1987.

Report and Accounts The 1986 report and accounts of Pearson plc will be posted to shareholders on 8 April 1987.



**Annual General Meeting** The annual general meeting will be held at Millbank Tower, Millbank, London SWI on 1 May 1987 at 12 noon.

·PEARSON

Information and Fine China Oil Services Banking Entertainment

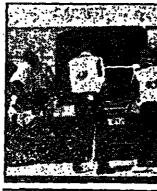
Pearson plc, Millbank Tower, Millbank, London SW1P 4OZ The figures for the year ended 31 December 1986 have been extracted from unaudited financial statements which have not yet been delivered to the Registrar of Companies.

# CITIUS, ALTIUS, FORTIUS

The Olympic slogan 'Fast-er, Higher, Stronger' is as applicable to developments in technology as it is to the world of athletics. Not least in the automobile industry, where high performance goes hand in hand with speed and strength.

1986, when Saab set 21 international and 2 world records on their Long Run' at Talladega, USA. Three standard cars, taken at random from the Saab 9000 Turbo 16 line, were. driven 100,000 km for 20 days and nights at sustained high speed on the Alabama International Motor Speedway circuit. For the total 23,556 laps their speeds averaged out at about 210 km/h, which included stops for driver and tyre changes, refuelling and servicing. Such achievement requires precision and endurance -of people and products.

SKF has had a challenging and fruitful relationship with the automotive industry for almost 80 years. It remains our major custom-



This claim was amply dem-onstrated in the autumn of demand for finer perfor-the conventional constru

Together with the industry SKF developed new wheel hubs that integrate all the functions of the hub and wheel bearing as a single unit. This Hub Unit has

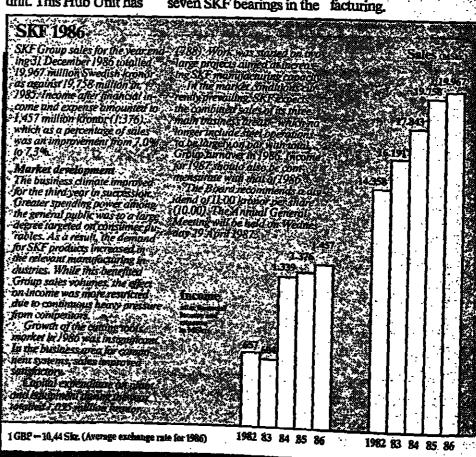
is simpler to mount, weighs less and lasts longer. The new Hub Units are

ies, along with a further seven SKF bearings in the facturing.

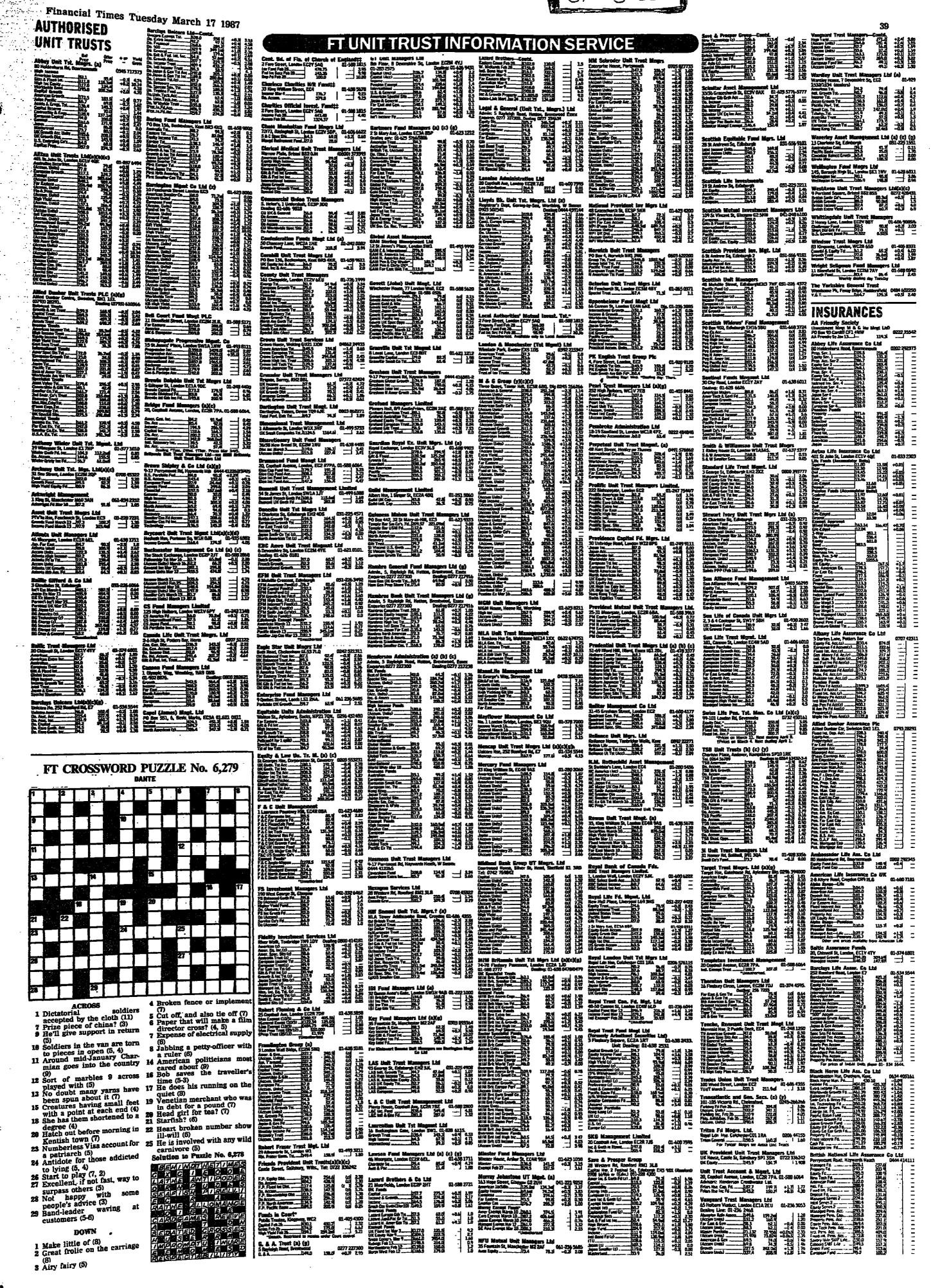
cars were stripped down for analysis after the 'Long Run', results showed that not only had the Hub Units and bearings survived the stress and strain - they were in perfect condition for continued use.

transmission. When the

This kind of result is directly due to the continuing relationship between SKF the conventional constructions it replaces. The unit and the international automotive industry - a relationship based on achieving maximum precision used for the Saab 9000 ser- and performance in both development and manu-



Aktiebolaget SKF S-415 50 Göteborg, Sweden



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Financial Times Tuesday March 17 1987

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# Japanese mills set the pace on iron ore prices

has almost completed negotiations with its iron-ore suppliers, securing price cuts of 5 per cent on deliveries for 1987-88.

This year's negotiations mark a fundamental break with the past, with the Japanese steel mills setting the pace in establishing the benchmark price for the year from April, forcing the European mills to catch them

Last year European mills managed to trim iron-ore prices by 1.1 per cent, yet in Japan, price cuts of 4 per cent were applied.

Traditionally, Japan's iron-ore purchase price has followed Europe, although both the European and the Japanese mills have readily exchanged information about the status of price

In recent years the Japanese mills have aggressively used tonnage inducements to achieve settlements with smaller sup-pliers, such as Indis, which is keen to boost its share of the Japanese market, and then tried to roll these price cuts through to its major suppliers in Brazil

The Japanese settlement indicates that prices in Europe could be cut by around 8 per cent in the forthcoming nego-In Europe the market has It subsequently transpired, been thrown into some disarray, however, that this agreement

Hoogovens, the Dutch steel group, for an average price cut of 9.4 per cent, albeit for only small tonnage.

The settlements in the Japanese market this year were influenced by fears of the formation of an iron ore producers' cartel. of an iron are producers cartel.
The five largest iron ore producers are CVRD of Brazil;
LKAB of Sweden; Mount Newman, controlled by BHP; Ramersley, a subsidiary of CRA;
and MBR of Brazil. They sought discussions with their main customers in both Japan and Europe over the medium-term outlook for iron ore, in the light of strong fears of price cuts of as much as 10 per cent.

Japan's steel mills over-reacted to this joint approach, fearing that it marked the beginning of a producers' cartel. Nippon Steel Corporation, the world's largest privately owned steel producer, made quiet overtures to Mount Newman, in an attempt to achieve a quick settlement. Mount Newman. keen to boost its share of the Japanese market responded with alacrity, and towards the end of February, announced that it had reached agreement for a 3 new feet of the state of t

for a 3 per cent price cut for deliveries during 1987-88.

THE JAPANESE steel industry following the settlement of had provision for a further price negotiations between 2 per cent price cut if Mount Quebec Cartier Mining and Newman managed to boost its deliveries to 14 per cent of the market. The Japanese steel mills have based all negotia-tions on forecasted steel production of 91m tonnes in the 1987 financial year, indicating iron ore requirements of 98m

> With the Mount Newman settlement Robe River, a smaller Australian mine controlled by Peko-Wallsend, moved quickly to secure its contracts, agreeing a 6.4 per cent price cut, higher than the maximum cut for Mount Newman, although based on a small quality penalty. The Japanese mills also agreed to Robe River boosting its market share to 10 per cent, indicating its deliveries will be increased to around the 10m tonne level. Hamersley, however, which has slipped from the biggest to the third biggest supplier, is expected to post total deliveries to Japan of over

> faced with a large tonnage reduction. This could see its shipments drop below the 10m tonne level. In other negotiations in the Japanese market, settlement is believed to have been reached with Chile, and talks are advanced with Iscor of South Africa, with a sizeable price cut anticipated.

13m tonnes in 1986-87, and is

# US oil output set to decline

BY LUCY KELLAWAY

OIL PRODUCTION in the US is set to decline sharply over

This is the conclusion of a study produced by Copeland, Wickersham, Wiley, an international oil consultant. It argues that production is likely to fall by nearly one quarter over the next three years, from 8.54m barrels in 1986 to 6.7m in 1990. Oil reserves are also forecast to fall markedly, to reach about 18.5bn barrels by 1990, a drop of nearly 35 per cent.

Colombia sets

coffee policy

flexible

the assumption that oil prices domestic energy demand, caus-ing a steep rise in energy imports, the report says. From according to the about 6m barrels a day last Economic Survey. year, oil imports are forecast to rise 50 per cent to over 9m bar-rels a day by 1990. This would imply that more than half of total US oil supplies were being met by imports in 1990, and about two thirds by 1995.

The forecasts are based on cause other non-Opec and non-Communist production is also the next few years, forcing the rise slowly in real terms to expected to fall over the US to become increasingly dependent on the Middle East, and posing a threat to world in production is assumption that on prices Communist production is also expected to fall over the period, the US will have to ning of next decade. The fall meet its needs increasingly and posing a threat to world in production is expected to be from Opec exports. Opec output last week was

only 14m barrels a day, 1.8m less than the official quota, according to the Middle East The low figure was due

part to pipeline closures, and to low output from Saudi Arabia, which is reported to have produced 2.9m barrels a day in the first week of March, and 3.1m b/d during the

# enjoy currency boost

By Our Commodities Stati COLOMBIA, the largest coffee producer after Brazil, has lowered the minimum export price for its coffee, and adopted | continue to be cleared a more flexible policy that will allow private exporters to par-ticipate more actively in the

The National Coffee Growers' Federation has set no limit on the export registrations for April and May. But Mr Gilberto Arango, president of the Private Exporters' Association, said this did not mean Colombia intended to "go over the top," but would sell its coffee "without haste, but consistently."

The move follows the collapse of the International Coffee Organisation talks on quotas earlier this month.

Analysts in London said Colombia had high stocks of coffee, but suffered from a port congestion problem.

The key factor behind the overall trend is the influence of the floating Australian of the floating Australian indicator, which is based on a trade weighted basket weighted average of the main of currencies (1970=100) types of wool produced in declined from 81 in January Australia, finished the week at 1985 to below 50 last July. The move follows the collapse

FOR THE first time in its history Britain's Agricultural

Development and Advisory Service (ADAS) is going com-

nercial. From March 30 a

farmer wanting advice by tele-

year for the service, plus VAT of course. If he wants a farm

phone will have to pay £50

advice.

# **Australian wool growers**

The report argues that be-

AUSTRALIA'S

Last week prices moved to fresh record highs for the fresh record highs for the the demand is expected to re-eleventh week in a row, and main buoyant. The main analysts are suggesting the firmness will continue this week. The trend is underscoring

wool's position as Australia's largest rural export earner and reinforcing the country's premier position in the industry. Australia currently produces 40 per cent of world output of clothing-type wools and has 70 per cent of the trade

weakened 662 Australian cents per kg currency is proving to be a (clean). That was nine cents boon both to local wool pro-ducers and to foreign buyers as compared with a price of 561 offerings in domestic markets cents back in October and 523 cents in December 1985.

> interest is said to come from Japan, China, Eastern and Western Europe. On top of last week's offer-ings of 47,350 bales, the Wool Corporation's stocks were reduced by 50,000 bales to 629,709, well under forecasts

> for the end of season of 800,000 The key factor behind the

wife about it.

## LME may rethink clearing system

By Stefan Wagstyl

THE LONDON Metal Exchange could change key elements of the reformed trading rules it is planning to introduce on May 29 soon after the new system is up and running.

There is no question of reversing the exchange's decision to replace its centuryold principal-to-principal market with a system in which a clearing house acts as an intermediary in trades,

But LME members agreed at a meeting on Friday to ask their Board and committee to reconsider as a matter of urgency the kind of clearing house the exchange is to have. This decision followed an appeal from Amalgamated Metal Trad-ing, a leading trader owned by the West German metals group Preussag, for the debate to be

The LME is installing a system in which price differ ences on contracts would be cleared for cash only when contracts mature. In a closely-argued paper, AMT has protem where traders would be obliged to put up money daily to cover against adverse price

AMT believes that while it is AMT believes that while it is now too late to make changes before May 29, a full clearing system will in time be inevitable. Mr Peter Pemberton, an AMT director, said "at the moment it is not going to be possible to make changes, but I think people will come round to this view." Other traders say it is difficult to estimate support for AMT's position.

Almost every other com-modity market in the world uses a fully cleared system. But LME members have been opposed to it partly to keep change to a minimum and partly to keep costs down. They believe that the need to cover positions daily with cash would make the market prohibitively expensive.

However, AMT says full cash clearing would be cheaper than the planned hybrid. The com-pany concedes that under full cash clearing traders would have to pay interest on money borrowed to pay margin. But it argues that the alterna

tive is worse—under the hybrid system, members would have to secure bank guarantees to cover the maximum level of exposure. Bank fees would be charged on the full guarantee not on the (fluctuating) level of exposure. Moreover, says AMT, the full amount of the guarantee would be deducted from other credit lines. Finally, the cost of guarantees could go up if the Bank Sales resume again today and of England tightened the rules on bank contingent liabilities, as

> LONDON METAL EXCHANGE WAREHOUSE STOCKS

kıminium opper	+6,425 to 96,975 -75 to 135,850	pound.
ead	—1,775 to 25,700	GOLD
licke <b>!</b> in	-78 to 4,710 -1,065 to 31,660	Gold rose \$1 an
inc	+425 to 27,825	terday to finish at
	(ounces)	the day's high. T
iver	+20,000 to 21,732,000	thin and lecklusts

# The Ministry puts a price on advice cess which they judge to be of

**VIEWPOINT** By John Cherrington

FARMER'S

visit he can either pay a total of £150 plus VAT, which will entitle him to the phone service 1939 these services were effectively unified and charged with tors but tell the world and his as well as a one-hour farm visit, or he can have one-off maximising food production. They were given executive powers to control cropping and visits at £28 a time plus VAT. There will also be charges for some animal health schemes which have been free up until now. There will, however, be carried on in this way until the from fees is expected to be no food emergency was over.

To my mind ADAS never more of the statutory duties really got over this start. Farwell become chargeable in due advice on conservation, including the prevention of pollution, farm business diversi-fication and animal welfare. mers saw it as a continuation of a body which could and did make a non-conforming farmer lose his farm. At the same time

The service will still be responsible for the statutory regulation of notifiable diseases, such as foot-and-mouth and farmers were bombarded by a plethora of advice from com-mercial interests which was also Britain is the first country in the world, as far as I know, to bring in the principle of a free and very persuasive. Many farmers never even knew the names of their local ADAS officers. They were providers of the many grants which came farmer paying for governmental Government funded advice

a fairly recent development our way but otherwise much in this country. There had been I used to think this was a pity. There is scope for an impartial some provision of controls on mports of livestock during the advisory service to judge be-19th century for disease reasons and a certain amount of private exchange of ideas tween the many competing products which are touted around between farmers here and on agricultural Britain. Until very the continent. The various Show Societies were founded recently ADAS did not stand out in this regard. But farmers then, with the sim of fostering are not bad communicators themselves. At markets and the science and practice of farming. Universities formed meetings they are great talkers. tition ADAS suggests that up agricultural departments, which They like to expound on their to four small farmers should until the last war provided successes and will often talk join together to subscribe to county services in co-operation about their failures as well. Un- one of its services and share out crease the output from their of like what I know of business the results. But why limit it to remaining acres that they would griculture.

With the outbreak of war in successful processes from other I know of farmers any new proincomes.

They were given executive
The new ADAS charges are for ADAS are going to make its powers to control cropping and livestock production within tairly narrow bounds. They expenditure of £124m, income Everyone respects the work its production within the control of dees on animal health, but the departure of charging for dairy hygiene inspection is being much objected to. To what other fields of animal health might it be directed?

Then the whole position of the field officers must be anomalized that the charge of the field officers must be anomalized. more of the statutory duties will become chargeable in due course. It is significant that during the setting up of the new service some 9 per cent of existing staffs were made re-

dundant. ADAS will face some pretty fierce competition, however, The big chemical companies run some very competent advisory services, which are duplicated by other suppliers. There are also private consultants, in-cluding a very good service run by the Milk Marketing Board. It is possible, in fact, to get all the advice one should need free from commercial interests. This does have the drawback of possible bias, however. My rule is to get all the technical advice

tender for what I need to all the competing firms. To meet this sort of compe-

I can free, and then put out a

value would be spread around almost as soon as the advice has been given. Indeed one of the problems facing me as a farmer today, is not a lack of information, but a surplus of it which comes with almost every post on glossy free sheets and mail

There must be a lot of profit in the farm supply industry for it to be able to support this mass of advertising.

I believe the new guide lines

Everyone respects the work it does on animal health, but the

lons in that their paymaster, the Government, has a policy of reducing production. While they are charging farmers for advice aimed at increasing production, the ADAS officers will be disseminating free advice deseminating free advice. all. There is any amount of scope for conflicts of interest here.

But there is nothing new in this. Many years ago in the Middle West of the US I visited the county Agent's office, the equivalent of ADAS. It was charged with allocating the soil bank acreages and advising farmers which land to set aside and which to crop. In the next office down the corridor there was a very enthusiastic young man who was teaching farmers how they could so in-

### LONDON **MARKETS**

COCOA PRICES staged a cantious, and extremely modest, rally on the London futures market yesterday in futures market yesterday in response to reports of a "positive" start to talks in London on rules for the operation of the International Cocoa Organisation's price-supporting buffer stock. Dealers also noted that the market was cheered by C71-Semation of the presence at firmation of the presence at

firmation of the presence at the talks of the delegation from the Ivory Coast, the world's higgest cocoa pro-ducer. There had been re-ports last week that the Ivorian's arrival might be delayed, or that they might not attend at all, which would have scoppered properts for a meaningful agreement. With light manufacment, with light insulative turer buying on the physical market also helping sentiment, the May futures pesition ended the day \$7 up at \$1,302.50 a tonne. On the ondon Metal Exchange news London metal Executive news of a seventh successive weekly fall in warehouse stocks helped to push lead prices higher.

LME prices supplied by Amalgamated Metal Trading.

### ALUMINIUM

			<del></del>
	Unoffici close (p. £ per	al + on m.) -	High/L
Cash 3 months	949-51 813-4	13°	849 819/80
settlemen	z 948 (95	(am): ( amhs 611- 3). Final 8,250 to	

COPPER				
Grade A	Unoffic'l + or close per tonne	High/Low		
Cash 3 months	916-7 909-2,5 -5,25	909/909 909/909		
(928-5-8), the settlement 92	peing (sm): C rea months 904 0 (929). Finel	-5 (908-9) <b>.</b>		
Standard Cash 5 months	852-3 -2.5 877-8 -4.5	868;867		
Official closing (em): Cash 896-8 (869-9), three months 878-80 (865-7), settlement 868 (863), US Producer prices 65.50-70 cents a pound. Yoral Turnover: 23,275 tonnes.				

		Unatfiel close (b £ pe	al + of Lm.) — r topide	High/Low
ı	Cash 3 months	313-4 304-5	+4.5 +4.75	313 304/300
	(311-11.5) 1.5), sett close: 30	), three iement 3: 2-3. Tu	months 30	eek 311.5-1 13-3.5 (301- Finel Kert 125 waase ad.

11(4)				
	close	cial + o: (p.m.) - r tonne	High	rilow
Cash 3 months	2412-5 2412-5	-21.5  -10	248 242	0/2410 0/2410
Official (2,435-40), 20), settle Kerb clos tonnes.	, three m smeat 2	.418 <i>(</i> 2.4	11-2 () 40).	2,415- Final
TIN				

KUALA LUMPUR TIN MARKET--Close:

High grade	Unofficial + or close (p.m.) - £ per tonne	High/La
Cash 3 months	459-51  5.5 456-6  6	459/454
(464-5), t 1), settlen close: 454	closing (em): hree months 454-4 tent 480.5 (485). -8. Turnover: 5,47 Western: 37.50-44	.5 (460.) Final Ker 75 tonne

m ounce from Friday's on bullion market year \$405-406. The meet a public and touched a public finishing at Trading was generally tra with gold remainment trading range retermined selling in interes. GOLD BULLION (fine ounce) Mar. 16

GOLD AND PLATIN	JAN COLUS
m Engle \$418-422 Septelear \$418-419 irg'rind \$408-411 2 Krug \$21114-5124 4 Krug \$107-108 Ingel \$4134-41612 III Angel \$40-45 III Angel \$40-45 III Angel \$40-45 III Say \$8772-8814 III Say \$8772-8814 II Say \$87	(£263½-867) (£262½-854½) (£257½-859½) (£138¼-134) (£138¼-134) (£2612-661½) (£261½-68½) (£61½-68½) (£61½-68½) (£309¼-34½) (£309¼-34½)

# SILVER

Silver was fixed 6.35p an ounce lower for spot delivery in the London bullion marker yesterday at 352.35p. US cent squivalents of the fixing levels were: Spot 555c, down 10c; three-month 555.15c, down 9.8c; aix-month 473.9c, down 10.05c; and 12-month 473.9c, down 10.05c; the metal opened at 353-355p (5572-559)c) and closed at 352-354-25 (5572-559)c).

5 (587-559c).				
VER	Bullion Fixing Price	+ or	L.M.E., p.m. Unoffic'i	+ 0"
onths.	352,35p 361,05p 369,20p 369,25p	-8,55 -9,48 -8,85 -8,55	369,5p 361,5p 	-1.ª 
E-Turnover: 8 (nil) lots of 10,000				

SOYABEAN MEAL

SUIADLAN IMEAL

Endy April Ninian sold at \$18.00 and
Ekofiek at \$18.05. Trade in forward
Brent were minimal. April WTI oponed
dc up on Nymex and traded 17c up
st 1.30 pm EST. In the patroleum products market prompt nephthe some on
good demend for tight supplies. Gee
oil remained fam in quiet discussion.
Gasofine and fuel oil ware eigo firm
in quiet trading—Petroleum Argus.
London.

Hann			
	Y'sterd'ys close	+6	Businers done
nd gust tobar	2 per tonne 121.0-125.9 118.5-114.5 118.5-117.5 111.5-117.6 118.0-117.5 116.0-118.5	+0.58 +0.55 +0.55 +0.55 +0.55	114.0
Seles: HO	(75) Sate	ad 20	Ing nes.

### **US MARKETS** MOST MARKETS traded in-

INDICES differently during one of the quietest days this year, reports Drexel Burnham Lambert, Lack of significant REUTERS Mar. 13 Mar. 12% th ago Year ago 1541.8 1537.6 1618.9 1825.7 news from the major economic fronts was cited as the main reason why the markets were held to narrow ranges for much of the day. Early trade buying in gold futures was insufficient to push the market towards the main resistance at \$412.99, basis April, and the market fell back to trade parrowly. DOW JONES Dow | Mar. | Mar. | Noth | Year Junes 13 | 18 | ago | ago

### MAIN PRICE CHANGES

(Sast: December 31 1931 = 100)

81500,380 —15 \$1570,69 Copher Cash Grade A 2016.5 19.82895.25 5.752908.85 Gold Troy ez 8405.75 + 1 5397.35 5 mths 2504.5 +4.752302.75 Mich 176/1950 -1 167/1970 listm oz 5125,50 -1 8120.00 om ez 5112,50 -15,535112.00 silver; \$2051215 -15,5355,150 troy oz 551,355 +5,53556,50p ths 361,05p -5,40365,80p ment in cash prices saw the markets trade in narrow ranges. In crude ell light trade and local buying was sufficient 24210,329 + 20 £4479,58 839/45 5.6 2491.5 6 2484.7 8779/7 NEW YORK

# Sariey Fut. May 5114.25 +0.752117.50 Maira Wheat Fut. May 2116.25 +0.252118.20 No. 3 Hard Wint. 2 1

Unquoted. † Per 75-lb flack. c Canta pound. \* Cotton outlook. v April. March-April. x April-May. y May.

Robustae essed to test contract pers, reports Drexel Burnham Lembert, he market, however, failed to find ood follow through, escouraging late hort-covering. A general tack of hysical interest while designs availed rectiful order desploament was a con-

# ICO indicator prices (US cents per pound) for March 13: Comp. daily 1979 98.37 (101.85): 15-day everage 107.17 (108.05).

COCOA

# 1275-1277 ; 7.5 1278-1289 1202-1303 ; 7.0 1886-1937 1330-1331 ; 7.0 1852-1837 1330-1331 ; 7.0 1852-1838 1330-1331 ; 5.0 1852-1838 1330-1331 ; 5.0 1854-187 1408-1405 ; 7.0 1408-140 1422-1494 ; 7.0 1424-1429

Seles: 1,474 (6,311) lots of 10

### POTATOES

With Holland trading R1.5 up on Friday's close, the London market found tentrative buying interest on the opening. However, an immediate sell-off mede the market nervous and values slipped in thin volume belors support was found above £170.00, basis April. The April/May spread nervowed £2.00 se heavy selling of the May position was seen lets in the day, reports Coley and Harper.

# Yesterday's Previous Business Month close close done

### SUGAR

LONDON DAILY PRICE—Rew auger \$199.0 (£126.00), unchanged (unchanged) a toone for April/May delivery. White suger \$213.50, up 50c. With no treeb news prices drifted, but good buying hierast was uncovered on the dip which arrested the decline.

# 5 per tonne 175.5-174.5; 151.5-161.5; 182.5-175.4; 175.0-176.2; 182.4-185.5; 183.4-175.5; 175.0-177.8; 185.5; 918.9; 185.2-170.0; 180.0-182.0; 181.0-182.0; 182.5-170.0; 184.5-185.0; 181.0-182.0; 182.5-181.2; 185.4-185.0; 185.6-185.0; 180.0-182.0; 186.0-187.4; Selec: 2.395 (1.255) lots of 50 tonner.

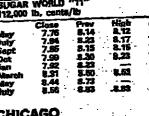
Teta and Lyle delivery price for granu-ated beeis sugar was £231.50 (sems). letted beets auger was 2231.50 (same). a tonne for auport.
International Suger Agreement—(US
cents per pound fob and stowed Carlbbeen ports). Prices for March 13: Daily
price 7.51 (7.66): 15-day average 7.21
(7.76).
PARIS—(FFr per tonne): May 12381300, Aug 1319-1323, Oct 1343-1350,
Dec 1370-1385, Merch 1395-1410, May
1435-1460.

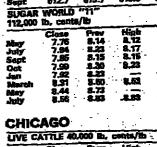
### RUBBER

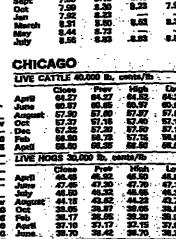
PHYSICALS — The London Market opened slightly sessifier, met some resistance of the higher levels and closed quiet and slightly easier, reports Lewis and Peat. Closing prices (buyers): Spot 61.759 (8.259); April 82.769 (62.259); Mey 62.509 (62.009). Kuela Lumpur fob prices (Meleysten centa a kilo): RSS No 1 227.0 (228.5) and SMR 20 194.0 (188.0). FUTURES—Index 801, April 880-670, April/June 886-676, July/Sept 869-679, Sales: Nil.

stock prices at representative markets. GB—Cattle SE.11p per kg lw (+0.61). GB—Sheep 202.14p per kg eet dow (+16.83). GB—Pigs 82.37p per kg lw (+2.11). FUTURES Pige: April 98.30, June

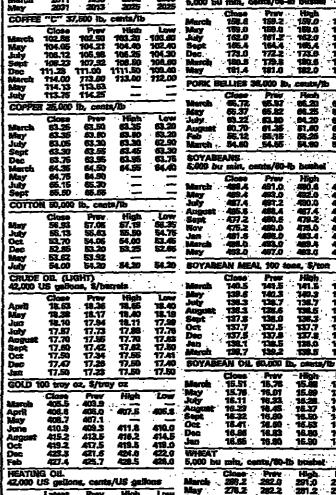
# Ciose Prev Nigh 192.46 132.20 132.70 133.26 133.36 133.25 134.26 134.10 134.26 133.50 134.00 133.70 PLATIMANN 60 troy oz. \$/troy oz Cidee Prev High 518,7 614.2 519.9 615.4 622.2 525.0 620.5 627.0 529.3 624.7 531.5 538.2 533.8 538.0 Prev 563.4 563.4 569.5 576.8 584.7 587.8 523.9 600.3 607.6 613.7 fell back to trade narrowly. fell back to trade narrowly. Action was deminated by the locals. Copper futures fell on commission house selling which touched off light stops, but good support emerged to steady prices from the lows. In both silver and platinum neither overhead resistance nor underlying support were seriously tested. In energy futures lack of decisive movement in cash prices saw the SUGAR WORLD "11" 112,000 lb, cents/lb

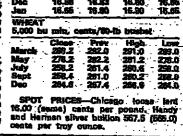












### FREIGHT FUTURES

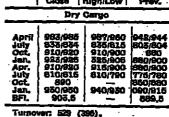
COTTON 50,000 tb, cents/fb

CHUDE OIL (LIGHT) 42,000 US gelions, \$/

GOLD 100 troy oz, \$/troy oz

Prev High 18.26 18.55 18.17 18.40 17.94 18.21 17.73 17.88 17.55 17.70 17.42 17.62 17.34 17.55 17.25 17.50

The market closed higher breed on a very buoyent physical market. Reports of Guil/Japan fixing at \$14.90 and North Pacific/Japan at \$2.75 at muleted purchases of freeh long positions by speculative and trade elements, reports Clarkson Wolff. | Close | High/Low | Prev.



GRAINS

WHEAT

# packages in the offshore section, reports the Tea Brokers' Association. The market continued selective. Coloury Assem CTCs met good competition and often advanced, but mediums were irregular and generally seaser, while plainer sorts were spain whek. Bengladeat tax were sweet pence lowar where sold. Selective brighter East Africans were steady but the remainder were easier with quality; stadiums, toquality with most Central Africans, were 2-4p down. There was a good demand for Crydone with better quality earts often deater and plainer types sirm. Offshore tous were quite well supported with brighter toes oftendeater, others shout stacky. (Qorbtions: quality 170p a kg nominal (175p); medium 127p a kg (120p); low medium 86p a kg (86p).

BARLEY

CRUDE OIL—FOR (F per berrel)—April in duli trading old crops saw a re-versal of weaker delivered markets, attadying on lock of offers, particularly barley, which found trings shipper sup-port in both March and May. New crops also firmed after the previous trading day's puolit taking, finding shipper and consumer support, reports T. G. Roddick. 16,70-16,90

# HEAVY FUEL OIL

Mar ... 117.56 (+0.55 116.26 (+0.16 May ... 118.26 (+0.25 114.25 )+0.75 114.25 (+0.76 118.26 (+0.25 114.25 )+0.75 101.26 (+0.25 101.20 )+0.85 (00... 101.26 (+0.25 101.20 )+0.85 (40... 104.50 (+0.25 105.95 )+0.85 (40... 106.80 (+0.25 105.95 )+0.85 92.00 90.00 Termover: 2 (24) lots of 100 total lots of 100 tonnes.

LONDON GRAINS—Wheat US Dark Morthern Spring No 1, 15 per cent: April/May 98.50, June 35.75. US No 2 Soft Red Winster July 88.50, Fresch 117-12 per cent: March 142.25, English feed, fob: March 17.50-118.00, April 19.00-120.00 buyer/sellers, May 120.50 buyer, April June 120.25-120.50 buyer/sellers, Oct/Dec 105.00-105.50 buyer/sellers, US No 3 Yellow/French, transhipment Sert Coast: second-ball Merch 142.50 buyer Petarhasd, 114.00 buyer Scaton, April/June 117.50 seller Scottlah, 118.50 seller English. GAS OIL FUTURES

U8 \$

ester English.

HGGA — Locational exister apot prices. Feed bartey: E. Midlands 118.40.

The UK monetary coefficient for the week beginning Monday March 23 (based on HGGA calculations using four days' exchange rette) is expected. LIVERPOOL Soot and shipment sales for the week commencing March 9 amounted to 404 tonnes, against 1,255 tonnes in the previous week. Fair operations involved declines in Chicago in Chicag

g Bill

9



EUROPEAN OPTIONS EXCHANGE

## FOREIGN EXCHANGES

# Budget nerves depress pound

STERLING LOST ground in D-MARK—Trading range yesterday. Japanese dealers against the dollar in 1988-87 is appear happy to sell the dollar, although only when the downward 18234.Exchange rate index 147.2 trend is started in overseas centres. currency markets yesterday as speculators unwound positions ahead of today's UK budget This was expected to be bullish for the was expected to be bullish for the pound but foreign investors had already made profits in the speculative run up to what is seen as a possible give away budget and there was no incentive to carry positions over today's announcement. Most of the options open to the Chancellor of the Exchequer had already been discounted and so there was little point in carrying exposed positions. There was no intervention by the Bundesbank at yesterday's fixing in Frankfurt when the dollar was quoted at DM 1.8428 down from DM 1.8550. Trading volume was thin and there was little interest in the dollar because traders were wary of central bank intervention. Dealers stressed that the possibility of intervention by central banks to stop the dollar appreciating or depreciating to any significant extent effectively ruled out any speculative activity. JAPANESE YEN—Trading range

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point in carrying exposed positions.

The pound closed at \$1.5840 up from \$1.5750 although this was appreciating or depreciating to appreciating to the dollar's weaker trend. The dollar's decline saw the pound fall to DM 2.9100 from DM 2.9175 and SFr 2.4350 compared with SFr 2.4475. It was unchanged against the yen at Y240.25 but fell in terms of the French franc to FFr 9.6900 from FFr 9.7150.

The pound closed at \$1.5840 up appreciating to appreciation activities appreciation activities appreciation activities appreciation activities appreciation activities activities appreciation activities appreciation activities activities appreciation activities activities

and Fridey's close.

The dollar lost ground in very featureless trading. There was still a reluctance to test central bank resolve either on the downside or upside without further indications on the performance of the US economy.

indications on the performance of the US economy.

The dollar closed at DM 1.8375 from DM 1.8530 and Y151.60 com-pared with Y152.60. Elsewhere it closed at SFr 1.5375 from SFr 1.5535 and FFr 6.1175 from FFr 6.1675. On Bank of England figures, the dollar's exchanged rate index fell from 104.1 to 103.4.

### IN NEW YORK

Mar 16	- Close	. Previous . Close
£ Spet 1 month 3 months 12 months	1.5860-1.5870 0.52-0.49 pm 1.38-1.33 pm 4.45-4.35 pm	1.5755-1.5765 0.57-0.56 pm 1.35-1.32 pm 4.43-4.35 pm
Forward pred U.S. dollar.	niums and discor	nts apply to the
STERLIN	ig enidex	

THE PROPERTY OF

·	<u> </u>	. ///	71.6						
CURRENCY RATES									
Mar. 16		Special Drawing Rights	Enropeza Carrency Unit						
U.S. Dollar	55 754 8 7	0.80154 1.2653 16.3909 48.2971 8.77535	0.713040 1.32589 1.48513 14.5780 42.9809 7.80636						
Destsche Mark Neth. Galider French Franc Italien Lira Japanese Ven Horney Krone	30 42 92 12 22 8	N/A 2.43375 7.7601 1657.306 193.15 8.78634	2.07468 2.34377 6.90506 1474.35 170.820 7.83057						

CURRENCY MOVEMENTS								
March 16	Bank of England Index	Margan Graymity Changes %						
Sterling U.S. Dollar U.S. Dollar Canadian Dollar Austrian Schilling Belgian Franc Danish Krone Deutsche Mark Swits Franc Guilder French Franc Lira Yen	71.4 103.4 79.3 138.1 100.1 95.3 147.2 171.4 134.4 71.8 48.2 211.9	-222 -40 -43 +103 -42 +38 +217 +217 +141 -127 -166 +57.9						

OTHER CURRENCIES									
Mar. 16	E	\$							
Argentisa Asstralia	24215-24325	1.5350-1.5410 1.4675-1.4685							
Scazii	31.9810-32.1540 7.1295-7.1405	20.2720-20.373 4.5185-4.5275							
Greece	211 35-215.05 12 3000-12 3100	133.90-136.20 7.8005-7.8025							
Last	115.40° 1339.20-1351.35	72,50° 850,10,857,10							
Kurgit	0.43720-0.43780 60.20-60.30	0.27720-0.2774 38.00-38.10							
Majayski N. Zestand	3.9700-3.9800 2.7905-2.7980	2.5210-2.5230 1.7700-1.7730							
Saudi Ar	5.9155-5.9210 3.3700-3.3790	3.7500-3.7510 2.1400-2.1420							
S. Al. (Cm) S. Al. (Fa)	3.2875-3.3095 5.4900-5.6875	2.0900-2.0940 3.4785-3.6035							
g u	E4 40 E4 70	********							

Beari	31 9810-92 1540	20.2720-20.3730
Floiand	71295-71405	4.5185-4.5205
	211.35-215.05	133,90-136,20
Greek	12 3000-12 3100	7.8005-7.8025
Hong Kong	115.40*	72.50*
Less		850.10.857.10
Korea (Sth) .	1339.20-1351.35	0.27720-0.27740
Kunnait	0.43720-0.43780	38.00-38.10
Locentiana	60.20-60.30	2.5210-2.5230
Majaysia	3,9700-3,9800	
N. Zestand	2.7905-2.7980	1.7700-1.7730
Saudi Ar	5.9155-5.9210	3.7500-3.7570
Sloggore	3.3700-3.3790	21400-21420
S. Al. (Cm)	3.2875-3.3095	2.0900-2.0940
S. AL (FP) -	5.4900-5.6875	3.4785-3.6035
Taiwan	54,60-54,70	34.55-34.65
	5.7935-5.7985	3,6725-3,6735
U.A.E.	Tr. 144 Sec. 101	
* Seiling rate	<b>L</b>	
Grand .co.	-	

# MONEY MARKETS

# Rates finish lower on budget hopes

INTEREST RATES were lower in London yesterday as the market reacted to growing expectations of another cut in base rates after today's UK budget. Three-month interbank money fell to 9½-9½ per cent from 10-9½ per cent.

Overnight money opened at 11½-11 per cent and touched high of 14 per cent before finishing at

late assistance together with a and 3. take up of Treasury bills draining Late assistance came to £550m, £1,070m and Exchequer transactions a further £335m. In addition banks brought forward balances banks brought forward balances

Including bills maturing in official hands and the repayment of late assistance together with a take up of Treasury bills draining and touched high of 14 per cent before finishing at 11 per cent bid.

In the afternoon the forecast was revised once more, this time to a shortage of around £1,100m and the authorities provided additional assistance of £451m. This was made up of outright purchases of £2m of local authority bills and £126m of eligible bank bills in band 1 at 10% per cent and in band £15m of eligible bank bills at 10% per cent. It also arranged sale and repurchase agreement on £106m of bills at 10% per cent, again for repurchase in equal amounts on April 1, 2 and 3.

tions a further £335m. In addition banks brought forward balances £5m below target. These were partly offset by a fall in the note circulation of £335m.

To help alleviate the shortage, the Bank offered an early round of assistance which totalled £90m and comprised sale \$nd repurchase agreements on bills at 10½ per cent, maturing in equal amounts on April 1, 2 and 3.

Futures Exchange yesterday mainly because its weakness was also of today's budget. Prices more a reflection of position the appeared of today's budget. Prices more a reflection of position the appeared of the Budget had been discounted to such an extent that the appeared of the appeared of the appeared of the appeared to such an extent that the appeared of the appeared to such an extent that the appeared of the appeared to such an extent that the appeared of the appeared to such an extent that the appeared of the appeared to such an extent that the appeared of the appeared to such an extent that the appeared of the appeared to such an extent that the appeared of the appeared to such an extent that the appeared of the appeared to such an extent that the appeared of the appeared to such an extent that the appeared of the appeared to such an extent that the appeared of the appeared to such an extent that the appeared of the appeared to such an extent that the appeared of the appeared to such an extent that the appeared of the appeared to such an extent that the appeared of the appeared to such an extent that the appeared of the appeared to such an extent that the appeared of the appeared to such an extent that the appeared of the appeared to such an extent that the appeared of the appeared to such appeared to such an extent that the appeared of the appeared to such appeared to suc

payments on exposed US banks. The large US trade deficit prevents any advance by the dollar, while the market fears downward pressure will bring central bank

Sentiment surrounding the dol

lar remained weak, but there were no new factors, apart from growing concern about the impact of Brazil's suspension of interest

S	EUROPEAN	CURRENCY	UNIT	RATES

	Ecu central rates	Currency amounts against Ecu March 16	% change from Chatral rate	% change adjusted for divergence	Divergence timit, %
Belgian Franc	42.4582	42,9809	+1.23	+0.90	± 1.5344
	7.86212	7,80636	-0.58	-0.91	± 1.6404
	2.05853	2,07468	+0.78	+0.45	± 1.0981
	6.90403	6,90508	+0.02	-0.31	± 1.3674
	2.31943	2,34377	+1.05	+0.72	± 1.5012
	0.768411	0,776744	+1.08	+0.75	± 1.6684
	1.483.58	1474.35	-0.62	-0.62	± 4.0752

POUND SPOT FORWARD AGAINST THE DOLLAR

Mar. 26	Cay's spread	Clase	One month	% 92	Three mostis	% p.e.
JS	1.5735-1.5835	1.5835-1.5845	0.52-0.49 c set	3.83	1.31-1.26 pm	3.24
<del></del>	20736-2.0830	2.0820-2.0830	0.61-0.50 c nm	3.20	1.51-1.35 pm	2.75
lectr fands	3.274-3.294	3.284-3.294	ji≻lie c pm		35-35 pm	4.26
leigiyan	59.97-60.38			3.09	39-32 pm	2.36
enmark	10.931-10.981	10.942-10.952			3-3% db.	-125
reland	1.0870-1.0940	2.0895-2.0905			0.80-1_10 dfs	-3,49
. Gerntey	2894-2914				44-4 pm	5.62
ortugal	223.27 224.59	223.70-224.60			236-352 de	-440
	203.28-204.65	203.30-203.60			207-257 🛳	-415
27	2058-2072%	20671-206872	2-par lire on	0.58	2pm-3 dis	-0.10
orway	10.941-11.00	10.99% 11.00%	34-412 one dis		12-12% ds	-452
rance	9.65-9.70%	9.687-9.6972			41 <sub>2-</sub> 4 pm	1.75
reden	10.14-10.18	10.17 - 10.18 2			2-3-6	-133
**************************************	2381-2401	2394-2404	Na-Day pa	5.93	33-34 50	5.43
###	20.35-20.49		114-10 <sup>5</sup> -9ro pm		27-24's pm	5.04
	2424-244	243-244	13-14c pm	47	33-34 bet	5.54
- 100	C-C-C-C-T-C	445-444	7-2-1-At 122	19/PF	32.34 E	- 25

DOLLAR SPOT-FORWARD AGAINST THE DOLLAR

Nav. 13	Day's spread	Clase	One mosth	% pa	Three months	% p.a.
UK1	15735-15835	1.5835-1.5845	0.52-0.49t pm	3.83	1.31-1.25pm	3.24
treboott	1.4455-1.4555	1.4510-1.4520	1.02-0.96c pm	8.20	2,52-2.38 pm	6.76
Canada	1.3141-1.3190	13155-13165	0.05-0.09c dis	-0.64	0.18-0.23 @s	-0.62
Netherlands .	20725-20850	20755-20765	0.20-0.17c pm	1.07	9.56-0.51pm	1/18
Belgium	38.00-38.23	38.00-38.10	2-4c dis	-0.94	7-10 ds	-0.89
Denmark	6-89%-6-95%	6.92-6.9112	2.40-3.10 <sub>cm</sub> dis	-4.76	7.20-7.90 dis	-4.35
W. Sermany .	1.8305-1.8480	1.8370-1.8380	0.43-0.40pt por	2.70	1.16-1.11 pm	2.46
Portugal	1414-1424	105-1015	80-130c dis	-8.87	270-340 ds	-8.59
Speig	128.74-129.62	128.75-128.85	90-100c dis	-881	245-265 65	-7.29
Italy	1304-1312	13054-13054	35-45re dis	-3.44	10-12 dk	-3.36
Norvey	6.9312-6.953	690-690	4.90-5.40are ds	-8.89	13.40-13.90ds	-7.85
France	630-634	6375-672	0.72-0.82- #s	-1.51	2.25-2.50 dis	-1.55
Sweden	6.42-6.44%	6AZ>6A3	2.95-3.25ere dis	-5.78	7.10-7.50 ds	-4.54
	151.30-152.40	151.55 151.65	0.29-0.25 <sub>7</sub> pm	2.17	0.85-0.80 am	2.17
Activis	12.95-12.99	12931-12944	280-230am om	2.36	6.50-5.50 pm	1.85
	1.5345-1.5470	1.5370-1.5380	0.34-0.29c pm	245	0.97-0.86 pm	229

		151.55-151.6 12.934-12.94 1.5370-1.538	4 280-2309	ropen 2.36	6.50-5.50	m 125
† UK and peland a to the induktion (	re quoted in U stressy. Belgi	Scurrency. For tan rate is for	ward premium consertible for	and discounts act. Princial	apply to the US frame 38.40-3	dollar and not 8.40.
EURO-CUF	RENCY	INTERES	T RATES	•		
Nov. 16	Short term	7 Days'	Que Month	Three Months	Six Months	Ove Year
Sterling	111-111-11-11-1-1-1-1-1-1-1-1-1-1-1-1-	10%-10% 6%-6% 5%-6% 5%-5% 7%-7% 6%-6% 7%-7% 9-10 7%-7%	10-10% 62-62 64-613 57-59-2 42-42 4-49, 78-8 94-95, 71-79-	93 912 62-62 62-63 9-52 4-44 4-0- 71-8-2 72-72	92-91 63-7 52-55 4-45 4-45 81-81 74-75	94-94 54-54 74-74 54-54 38-44 44-4 84-84 74-72

B. Fr. (Co Yes D. Krose Asker \$ (S		74-75 312-4 11-117 <sub>2</sub> 24-3	1 44	77a 44à 1112a A	71-73 43-43 11-113 34-33	71 40 100	675 646 6114 635	71 <sub>0</sub> -75 41 <sub>0</sub> -41 101-11 34-34	1	74-75 P4-42 P4-114 P4-34	\$200,000	ASURY 84 32mds of Close	109% High	Low
Long-ti per cent; Yest; oth	five year ers, two	s 77-2-73s days' Rol	per cest : ice.	ngerisad.	er cest; t Short-ter	bree yez en rabis	53, 7-7 <sup>1</sup> 4, are call f	per cent; or US Do	four yes flars and	rs 73-75 <sub>0</sub> Japanese	Extinated Previous	101-15 100-29 99-07 I Yukume 1 day'i open	inc. 3,334	4 (3,117
Nar. 13	£	5	DM	YEN	F Fr.	S Fr.	H FL	Lie	G S	B Fr.	POUND	-\$ (FORE	IEN EXC	MANCE
£	1 0.631	1.584	2.910 1.838	240.3 151.6	9.690 6.118	2435 1.538	3.298 2.056	2068. 1306.	2.083 1.315	60,25 39,05	\$pet 1,5840	1-mth. 1_5790	3-mth. 1.5712	6-met 1,559
	<del></del>	<del>  -</del>	<del></del> -		+	0.837	1.136	710.7	0.716	20,70	DAM-2	TERLING	Şs per £	
DIR Yen	0.344	0.544 6.593	12.11	82.56 1000.	3330 4033	10.14	13.68	8606	8.668	250.8	Mar.	Clase 1.5785	High 1,5805	1.577
F Fr.	1.032	1.635	3.003 1.195	247.9 98.67	10 3.979	253 1	3.393 1.350	2134. 849.3	2149 0.855	62.18 24.74	June Sept.	1.5655 1.5560	1.5675 1.5590	1.564 1.552
		0.482	0.885	73.08	2.948	0.742	7	629.0	0.633	18.33	LIFFE-	STERLING		ر سر ۵
K FL Lira	0.304 0.484	0.766	1.407	1162	4.686	ŭñ.	1.590	1000.	1.007	29.13	Hards	Close 1,5784	High	سما
<u> </u>	0.480	0.763	1.397	115.4	4.653	1.169	1,579	993.8	1	28.93	June	1.5652	1.5652	1.564

### 8 Fr. 1660 2629 4.830 398.8 16.08 4.041 5.456 3432 3.456 100. Yen per 1,000; French Fr per 10: Lira per 1,000; Belgian Fr per 100.

FT LONDON IN	TERBANK FIXING			
(11.00 a.e. Mar. 16	3 months U.S. dollars	6 mont	ts U.S.	dollars
bki 6 ½	affer 6½	始 6 号		öller 6 🗸
The fixing rates are the offered rates for \$10m of The banks are National Paris and Morgen Guar	e arithmetic means, rounder noted by the market to five ro Westminster Bank, Bank of radity Trust.	to the nearest of ference banks at 1 Tokyo, Deutsche	ne sixte 1.00 a. Bank, i	enth, of the bid m. each working d Basque Nationale
MONEY RATES	•			

FT-SE 100 IKDEX 525 per foll index point

Um points of 100%

12-mb 1-5410

Mar. 16	Overnight	Oce Month	Two Months	Tirree Months	Six Months	Lontard Interventio
nickert	3,90-4,00 712-8,1 7-11 <sub>9</sub> 5,2-51 3,84375 111 <sub>9</sub> -115 <sub>9</sub> 7,50 134-14	3.90-4.00 71-8 41-44, 51-51- 4.15625 107-111- 71-77- 14-144	3,90-4,00 77 <sub>8</sub> -8    133 <sub>4</sub> -133 <sub>4</sub>	3.90-4.05 77-8 4-44 53-53- 3.96875 107-114 75-72- 135-137	3.90.4.05 7#.8½ - - 12%-12%	50 74 
NDON MONI	EY RATI	S				
Mar. 16	Over- cigis	7 days nocice	Month	Three Months	Siz Months	Cine Year
erhank erling CDs	14-10 <sup>1</sup> 2	107 <sub>2</sub> 107 <sub>2</sub>	104-104 164-94 10 10-1	9%-9½ 9½-9½ 10 00	93, 92 92, 92 93	84 87-87 87-87

Treasury Bills (sell); one-month 915 per cent; three-months 914 per cent; Bank Bills (sell): one-month 915 per cent; three-months 914 per cent; three-months 915 per cent; three-months 916 per cent from the Houses seven days' notice, others seven days' fixed. [1, 1987: Bank Deposit Rates for sunst at seven days' notice 4.35-4.375 per cent. Certificates of Tax Deposit (Series 6): Deposit £100,000 and over-keld godier one month 812 per cent; three-months 91 per cent; three-six months 92 per cent; three-six months 93 per cent; three-six months 93 per cent; three-six months 93 per cent; three-six months 94 per cent; three-six months 94 per cent; three-six months 95 per cent;

### FINANCIAL FUTURES

# Prices mostly steady

chancellor of the Exchequer to ing at 90.75. Trading volume was predictably rather low in comparison with the record level seen 122-31 up from 122-21 on Friday lately.

Cash rates declined a first part of 123-00 (Cash rates declined a first part of 123-00).

GILT PRICES and three-month before coming back a little to of a point which tended to offset sterling deposit futures showed close at 122-25. the pound's decline but there was little overall change in the Lon-Sterling's slightly weaker trend something of a false feel about the don international Financial appeared to have little effect, market since the budget had been

Three-month Euro-dollar deposits opened at 93.58 for June delivery down from 93.60 and traded in a three tick range before closing at the day's low of 93.55.

LIFFE LONG WILT FUTURES OPTIONS 9710.
Pris-List
tree Sept
00 0.21
12 0.42
0 1.19
1.58
2.56
4.07
5.39
7.17 Strike Price 1900 19250 19500 19750 20000 20250 20500 20500 June 0.03 0.09 0.20 0.35 1.53 2.62 4.18 -Lasi 0.00 0.02 0.11 0.44 1.30 3.02 5.78

Strike Price 135 140 145 150 155 160 Calis—Lest
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Latest 0.65% 0.6630 0.6667 Close Migh Low 122-17 122-18 122-16 1 122-25 123-00 122-22 1 122-19 — 1 122-19 — 1 122-19 — 1 122-19 (days apen let, 20,020 (19,104) High 101-23 100-19 99-20 98-21 97-21 96-25 101-17 101-14 100-14 99-16 98-19 97-21 96-26 High 0.6602 0.6640 0.6675 Latest High 0.5432 0.5434 0.5467 0.5467 0.5492 0.5497 Low 0.5423 0.5457 0.5491 Close High 102-09 — Valuane D (0) 93.50 93.37 93.57 93.50 93.37 93.21 93.00 92.78 Mar. June Sept. Dec. Mar. June Sept. Dec. 94.45 94.50 94.47 94.41 Prev. 94.49 94.53 94.50 94.42 Close Nigh L. 90.24 90.30 90 90.75 90.81 90 90 90.78 91.00 90 90.78 90.99 90 90.59 90.84 90 90.59 90.50 90.50 90.50 90.5 Pres. 90.14 90.72 90.91 90.93 90.74 90.55 High 288.00 289.85 291.20 292.20

Prev. 0.5402 0.5437 0.5469 Close High Low Pres. 199.20 200.50 199.20 199.90 202.60 204.40 202.60 203.20 I volume 552 (908)

Vol. Lust 75 208 174 198 1 450 8 4 11 7.20 4.90 3 8.70A 1.90 300 150 F196 F1205 F1210 F1215 F1200 F1215 F1220 F1245 F1240 0.30 280 446 168 26 140 10 8 250 7.80 102 5 100 131 425 1.70 3.60 2 20 3 7.60 21.50 4.70 5.60 5.70 7.40 4.70 FL##30 FL189.50 FL1\$1.90 PL 73.PR 140 420 19 520 180 7 FL79.90 FL250-50 FL 62.70 FL172.80 FL36.20 0.30 3.20 5.30 1.90 4.30 2.908 7.30 10.90 19.10 16.20 FLÆ330 KLM P
MAT. NED C
MAT. NED, P
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2.70 1.50 2 6.20 3.40 0.30 9, FL50.30 FL252.80 FLÍOL BASE LENDING RATES Hat Bit of Kowalt...... National Girobank ...... E.T. Tost 12 Equator'l Tel C'opk 11 Sank of India
Ank of Scotland
Ample Belge Ltd
American Tas Ltd
Bendesant Tas Ltd Beneficial Tinst Ltd....
Beriner Bank AG ......
Brit, Bk. of Mid. East...
Brown Shipley .......
C.L. Bank Nederland ....

The table below gives the latest available rate of exchange for the pound against various currencies on March 16, 1987. In some cases rate to normal Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied.

et quotation available; (F) free rate; (P) based on U.S. dollar parities and poing sterling-dollar rates; (T) tourist rate; (Rax) basic rat efficial rate; (sg) selling rate; (c) controlled rate.

COUNTRY	CURRENCY	VALUE OF £ STERLING	COUNTRY	CURRENCY	VALUE OF £ STERLING	COUNTRY	CURRENCY	VALUE OF £ STERLING
Afghanistan	Afghani	99.20	Chara	Cedi	244.90	Passing	Balboa	1.5840
Albania	Lek	9.9943	Gibraltar	Gibraitar £	1.0 213.20	Papus New Golnes	Kina .	1.47 <b>66</b> (378.72
Algeria	Dinar	7.31	Greece	Dracksta Danish Krone	213.20 10.95	Paraguay	Gu <del>zani</del>	1104.60
Andorra	(French Franc Spenish Peseta	9.6 <del>9</del> 203.45	Grenada	E, Carithean S	4.26			(exc(a)22.99
Angela	Kwanza	46.387	Guadaloope	Local Franc	9.69 1.5840	Peni	imi	(F) 31.95 (Fn) 28.74
Antiguz	E. Caribbean \$	4.26 2.4270	6 <del>121</del> 17	U.S. \$	(1.5840	Philippines	Philippine Peso	31.90
Argestica	Austral Florio	2.8512	Gustatrain	Quetzel	(F) 4.3400	Pitcaira Islands	∫£ Starling	
Australia	Australian \$	2.3175	Guinea-Bissar	Frant	536.62 269.07	Poland	New Zeeland \$ Ziety	2.7943 381.99
Austria	Schilling Portuguese Escudo	20.395 224.15	GUNGOS	Peso Cupanese \$	257.37 15.78	Portugal	Escado	224.15
	Portuguese Esculos		Halti	Gourde	7.92	Puerto Rico	U.S. \$	1.5840
Balannes	Bahama \$	1.5840 0.5950	Honduras	Lempira	3.16	Contair	Quart Ryat	5.7430
Bakrain Balearic Islands	Dicar Scenisti Peseta	203.45	Hong Kong	H.K. S	12.3150	Reunion Isle de la	French Franc	9.69
Bangladesh	Taka	48.00	H <del>ussa</del> y	Forint	76.2474	Romenta	Lou	{(cm) 6.33 {(N/C) 15.58
Barbados	Barbados \$	3.1859 (cm) 60,25	lceland	loetandic Krona Indiae Ropee	61.984 20.50	Rwanda	Records Franc	127.97
Beigim	Beigian Franc	(th) 60.75	Indonesia	Rootale	2507.865	SL Christopher	E. Caribbean \$	4.26
Belize	B \$	3.1680	raa	Riat	115.40	St. Heleta	St. Heiena £ E. Caribbean \$	1.0 4.26
Benia	C.F.A. Franc	484.50	traq	Iraqi Dinar Post	0.4898 7.0900	St. Plerre	Local Franc	4.20 9.69
Bernisda	Bermudiaa S Ngultrum	1.5840 20.50	israel	run, Shekel	2.56	St. Vincent	E. Caribbean S	4.26
Beliria	Bolivizao	(0)3.0462 (16)	(taly	Lira	2068.0	Samon American	U.S. \$	1_5840
Boxswand	Pola	2.71 32.0675	Ivory Coast	C.F.A. Franc	484.50	San Marino	Italian Lira Dobra	2068.0 56.66
Brazil	Cruzado U.S. S	32.0673 1.5840	ــــــــــــــــــــــــــــــــــــــ	.lamaican Dollar	9.00 240.25	Saudi Arabia	Saudi Ryal	5.9183
Bratel	Brunei \$	3.3745	Japas	Yen Jordanian Dicar	0.5360	Senegal	C.F.A. Franc	484.50 8.98
Bulgaria	Les	1.3259	l <b></b>	=	N/A	Seychelles	S. Rupet Leone	ω 77.00
Burkino Faso	C.F.A. Franc Kyat	484.50 10.2812	Kenya	Riel Kenya Shilling	WA 25.20	Sloggiore	Singapore \$	3.3745
Burned	Berundi Franc	193.50	(Gribat)	Australian \$	2.3175	Solomon Islands	Soloman Is, S	2.9327
•	C.F.A. Franc	484.50	Korea (North)	Wos	1.4890 1345.28	Somall Republic	Somali Shilting	174.24 ((Cm)3.2985
Camerton	Consider S	2.0825	Korea (South) — Kunsait	Won Kwaiti Dinar	0.4375	South Africa	Rand	(Fn) 5.5888
Cassary istands	Spanish Peseta	203.45		New IGD	55.44	Spale	Peseta	203.45
Cape Verde Islands	Cape V. Escudo	141.40 1.3226	Lebasso	new Kip Letinese £	166.95	Spanish ports in North Africa	Peseta	203.45
Cayman Islands	Cayman Isles \$ C.F.A. Franc	484.50	Lespting	Maleti	3.2985	Sri Lanks	S.L. Ropee	45.20
Chad	C.F.A. Franc	484.50	Liberia	Liberiae \$ Libyan Dinar	1.5840 0.4815	Sudan Republic	Sudan £	3.96
C1195	Chilean Pesa Renminbi Yuan	327.69 5.9015	Libya	Swiss Franc	2.4350	Surman	S. Guilder Litangent	2.8274 3.2985
China	Col. Peso	360.57	Pinzemponia	Luxembourg Franc	60.25	Sweden	Swedish Krona	10.1800
Comoro Islands	C.F.A. Franc	484.50	Macao	Pataca	12.6865	Switzerland	Swiss Franc	2,4350 (o) 6, <b>2</b> 172
Congo (Brazzaville) Costa Rica	C.F.A. Franc Colon	484.50 94.27	Madeka	Portuguete Escudo	224.15	Talwan	Syrian £ New Talwan S	54.55
Cobs	Cuban Peso	1.2568	Malagesy Republic	M.G. Franc Xwacia	1064.50 3.6260	Tanzania	Tan. Skilling	88.10
Cyprus	Cyprus £	0.7730 (com) 8.20	Malaysia	Ringget	3.9750	Thailand Togo Republic	Beht C.F.A. Franc	40.70 484.50
Czechodovakia	Korena	nc 14.28	Maldive Islands	Ruflyra	11.0880	Tonga Islands	Palanga	2.3175
C25(240)5C76344		(U) 13'81	Mali Republic Malta	C.F.A. Franc Mattese £	484.50 0.5530	Trinidari & Tobago	Trinklad & Tob. \$	5.7024
Decreark	Danish Kroner	10.9500	Martinique	Local Franc	9.69	Torisia	Tunisias Dinar Turkish Liea	1.5048 (sg) 1233.09
Djibooti Republic of	Dilbouti Franc	275.0 4.26	Massigals	Quguiya	118.06	Turks & Calcus Islands	U.S. \$	1.5840
Dominica	E. Caribbean \$ Dominican Peso	4.20 4.8927 (7)	Matritius	Mauritian Rupee	20.225 ((F) 1718.44	Tuvalo	Australian S	2.3175 2300.0
	<b>J</b>	(to) 231.18	Mexico	Mexican Peso	(c) 1688.47	United States	Uganda Shilling U.S. S	2500.0 1.5840
Ecodor	Sucre	(F) 228.65	Miquelon	Local Franc French Franc	9.69 9.69	Uruguay United Arab Emirates	Uruguay Peso	305.34
Egypt	Egyptian £	(1.1088	Monato	reman rema Tegrik	5.3351	United Arab Emirates USSR	U.A.E. Dirham Rouble	5.796C 1.0253
	Colon	12.19 7.89	Montserrat	E. Carlishean \$	4.26			
Enuatorial Guiosa	C.F.A. Franc	484.50	Morocco	Dirham Metical	13.15 (sg) (A) 318.81	Varuata	Vatu Italian Lira	174.0 2068.0
Ethionia	Ethlopian Blev	3.27	Mozarskique		-			(4) 6.18
Fatkland Islands	Falidand Isles &	1.0	Namibia	S.A. Rand Australian S	3,2985 2,3175	Venezuela	Bolivar	{<5> 11.88
Farce Islands	Danish Kroner	10.9500	Nepal	Nepalese Rupee	34.56	Vietgam	Dono	(6) 36-26 (a) 126-26
Fiji Islands	Fiji S Markka	1.7425 7.1350	Netherlands	Guilder	3.2875	Virgin Islands U.S	U.S. \$	1.5840
Finland	Franc	9.6900	Netherland Antilles New Zealand	Antilian Golder N.Z. S	2.8512 2.7943	Western Samoa	Tala	(A) 3.4454
French C'ty in Africa _	C.F.A. Franc	484.50	New Zeaught	rz. s Cordoba	21745 3471.60	Yemen (North)	Ryal	(A) 16.17 (sp)
French Guiana	Local Frenc C.F.P. Franc	9.69 173.00	Niger Republic	C.F.A. Franc	484.50	Yerren (South)	S. Yemen Dinar	0.5414
		484.50	Nigeria	Naira Norwegiaa Krone	(e) 6-2418 (15) 11.0000		New Y. Dinor	849.88
Gambia	Ç.F.A. Franc Dalasi	484.50 11.00	Norway	Rizi Omaoi	0.6070	Zaire Reoxblic	Zaire	142.0931
Germany (East)	Ostowerk	2.9100	Oman Sultanate of	Paidsian Runee	27.10	Zambia	Keacha Zimbabee S	14.37 2.58
Germany (West)	Deutsche Mark	2.9100		, was a special	±1.25		Cumanat 3	
						I		

\$\frac{1}{2}\$ Rate is the transfer market (controlled). \$\frac{1}{2}\$ Now one official rate. (1) Essential goods. (2) Preferential rate for priority imports such as foodstuffs. (4) Preferential rate for Public. (5) Preferential rate. (6) Free rate for luxury imports, remittances of choney abroad and foreign travel. (7) Parallel rate. (9) Banknote rate. (10) Rate ports. (14) Nearly all business transactions. (15) Nigeria, Auction price for dollar for March 12, 1987, 3.8999. (16) Bolivia, New Currency Introduces: (Boliviano, worth 1m Pesos) Jan 1, Correction for March 9, 1987—Bolivia, Boliviano 3.0731.



EXPORT CREDIT INSURANCE, 01739 4311.

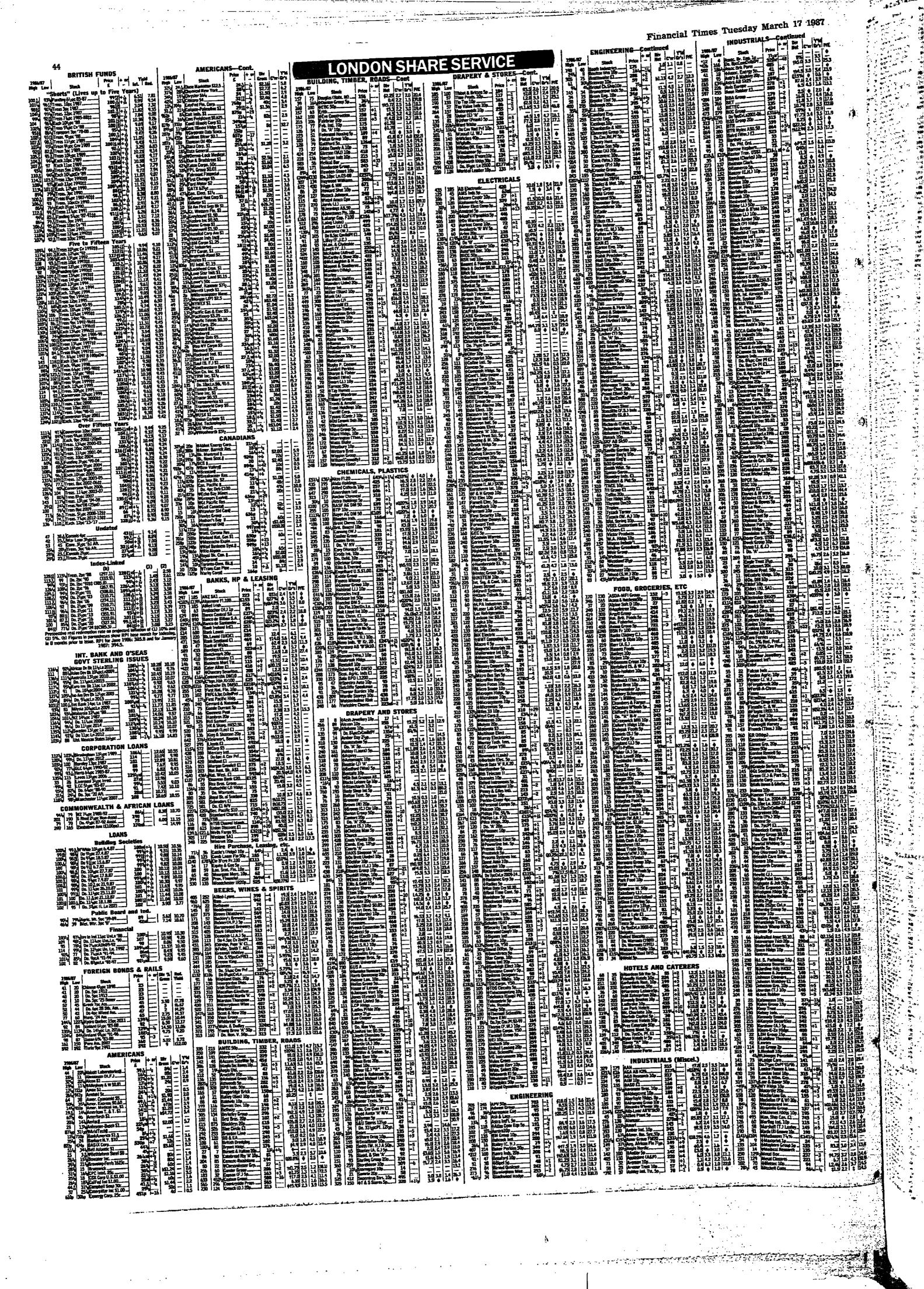


Figure 1 Times Tourish, March 17 1997

Figure 2 Times Tourish, March 17 1997

Figure 3 Times Tourish, March 17 1997

Figure 4 Times Tourish, March 17 1997

Figure 3 Times Tourish, March 17 1997

Figure 4 Times Tou Financial Times Tuesday March 17 1987 INVESTMENT TRUSTS-Cont. | 199 | Crestoral Jasan Stp | 177 | 159 | 118 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | | 150 | 75 | Pacific lier, Tist | 772 | 16 | De. Warrants | 780 | 640 | Paristra Soral Flad SA | Paristra Soral Flad State Soral Finance, Land, etc 

2 p.m. 1580.7

edged up a penny to 71p on the profits recovery and return to the

dividend list, but Suter came back

3½ to 277½ following preliminary figures much in line with market

expectations. Williams Holdings rose 14 to 734p, with the 5 per cent Convertible Preference closing 10

up at 313p and the 5¼ per cent Convertible Preference 1 higher

at 116p as the necessary resolu-tion to approve the proposals

were passed yesterday at the eam.

LONDON TRADED OPTIONS

Apr. Jhy. Oct. Apr. July Oct.

0°2 0°2 1 3°3

0<sub>2</sub> 1 2<sub>2</sub> 5<sub>2</sub>

330 65 73 83 1 3 6 360 37 52 63 5 12 17 390 39 33 45 18 23 28

33 — 23½ 27½ 15½ 19 94 12½

130 103 80

64 3 53 7 39 18 26 40

12 24

75 53 33

74 54 38 22 2 4 15 32

Nar June Oct Mar 190 145 115 90 165 120 88 53

49 25 17

May Aug Dec May Aug 47 65 77 17 23 16 40 50 40 48 6 16 23 82 89

67 32 15

118 — 85 — 60 80 36 57

37 41 25 31 15 21

70 43

80 53 52

63 36 17

31 18 7

45 2 30 5 21 17

1 4 13 4 10 21

30 30 30

- 557

27 36 16 23 9 15

33 X 46 30 6 28 68

54 41 22

39 24 12

330 360 390

Merks & Spi (\*229)

Option

188 138 95 60 155 117 85

# Account Dealing Dates

Option
\*First Declara- Last Account

Feb 23 Mar 5 Mar 6 Mar 16 ities had acquired a 92 per cent Mar 9 Mar 19 Mar 26 Mar 30 shareholding Elsewhere, Mergan Mar 23 Apr 2 Apr 3 Apr 13 Grenfell railied a couple of pence \* New time dealings may take place from 2.00 am two business days earlier.

Business began to die away towards the close of the London securities markets yesterday as City traders and foreign invest-ment houses squared their trad-ing positions ahead of the Budget Speech by the UK Chancellor, due at 3.30 pm today. The SEAQ trading screens will remain active after the Budget Speech, but equity marketmakers will choose whether or not to keep trading. Gilt-edged dealers will also have the option of ceasing trading when the Chancellor begins to speak.

general lack of interest yesterday, as buyers and sellers alike withdrew from the market. Gilt-edged, however, remained firm

drew from the market Gilt-edged, however, remained firm.
The FT-SE 100 index closed 8.2 down at 1991.6, and the FT ordinary index shed 7.3 to 1576.6.
The securities markets have largely discounted Budget cuts in personal taxation, together with further falls in bank base rates, and therefore in mortgage rates. further fails in bank base rates, and therefore in mortgage rates. Some analysts suggest that gits could be upset if the Chancellor errs on the side of generosity. perhaps by cutting tax rates by 4p in the pound, rather than by 2p.

The equity market was also preoccupied with the aftermath of Midland Bank's withdrawal from equity marketmaking. The share sectors abandoned by Midland's trading arm, Greenwell Montagu,

The cautious mood brought sharp falls in some of the consumer stocks which have risen sharply in anticipation of a tax-cutting Budget. Industrials remained firm, although Glaxo proved unable to sustain a strong

Underlying firmness was disc-losed by a ready response to a number of special features. Salomon Bros, the US securities trader, bought out the 8.3m shares in Woolworth held by Dixons at 813p apiece, and swiftly sold them on at 818p to a string of 45 to 50 Far Eastern and European institu-

We had institutions complaining at being left out," commented Mr Gordon Lawson of Salomon

Bros.
Shares in Pearson fell back despite trading figures above market expectations, when the boardroom statement disappointed the bid speculators.

Government bonds were about % up but business was "very quiet" according to the dealers. Trading positions had been balanced without difficulty and the market settled down to await the Endest Speech in a confict

the Budget Speech in a comfort-ably optimistic mood. Having risen 98 last week on overseas stakebuilding specula-tion, Union Discount moved up 20 further to 898p on confirmation

**EQUITY GROUPS** 

& SUB-SECTIONS

CAPITAL GOODS (209)

Mechanical Engineering (61) . Metals and Metal Forming (7).

Electricals (12)

Food Retailing (1.6) Health and Ho

Stores (37).

Textiles (17)\_

Agencies (17) \_. Chemicals (21).

Packaging & Paper (14) .... Publishing & Printing (14)

Shipping and Transport (11). Telephone Networks (2)

FINANCIAL GROUP(117).

Insurance (Brokers) (9) .... Merchant Banks (11)

FT-SE 100 SHARE INDEX 4 ....

FIXED INTEREST

124.98

150.90

139.09

121.12

9 Debutyre & Laws | 124.31 +8.16 | 124.11

120.81 +0.37

Day's change %

+0.08

142.87 +0.95 142.80

+0.10

+0.44

+0.20 150.60

+0.09 138.96

Fri March 13

123,97

167.31

219.22

120.59

120.57

ni adj. teday

Property (47)...... Other Financial (26)

Mining Finance (2).

PRICE

5-15 years ...

All stocks....

5 years...

8 All stocies ...

Index-Linked

Over 5 years...

Over 15 years ...

# Government bonds firm but equities easier as markets await Budget Speech

to 375p ahead of tomorrow's preliminary figures and Kleinwert Beusen reflected a BZW "buy" recommendation with an improvement of 2 at 592p. Speculative gains of 9 and 7 respectively were seen in Business Merigage Trust, 115p, and Chancery Securities, 208p.

Leading Breweries drifted lower with other blue chip issues, and Bass closed 8 down at

942p while Guinness gave up 3 at 317p. Regionals also had an uninspiring session spart from Fuller Smith, which moved 10 higher to 365p. Invergorden Distillers attracted investors after the

ding issues gave modest ground on light profit-taking, but Costain came under further selling pressure on talk of a broker's adverse circular and dipped 16 to 580p. Blue Circle, a firm market last week, came back 5 to 743p, while Tarmae slipped 3 to 514p. George Wimpey, annual results expected shortly, dipped 9½ to 237½p, but Barratt Developments continued to attract buyers ahead of Thursdev's interim figures and firmed 4 day's interim figures and firmed 4 more to 198p. Marley hardened 1 to 148p. Elsewhere, Helical Bar attracted fresh support and rose 33 to 583p in a restricted market, while McCarthy and Stone firmed 6 to 421p following press mention. Speculative counter Stanley Miller put on 7 to 70p while Federated Housing picked up 4 at 189p.

ICI were a shade cheaper at £1314, but Wardle Storeys attracted buyers and firmed 5 to 438p. Else-where in the Chemical sector, British Benzel touched 36p British Beast touched sop initially on take-over hopes, before reacting to 85p following the directors' statement that they knew of no reason to account for the recent share price rise; the final quote was 90p, down 4 on the

day. Leading Stores succumbed to pre-Budget profit-taking with dealers suggesting that tax cuts had already been well discounted. Woolworth dropped 18 to 815p as Dixons sold 8.1m Woolworth shares to Salomon Bros at 813p per share, who then immediately placed them with institutional investors at 818p per share; Dixons retained the shares after its unsuccessful bid for Woolies last year and is now able to show a near-flow profit on the sale. Gussies "A" gave up ½ to £13¼ and Next dipped 10 at 313p, while Storehease lost 6 at 305p. Bartan closed 10 off at 306p: the group yesterday announced plans to expand activities in the financial services field. Elsewhere, press comment in the wake of the recent acquisitions of two sports shop chains helped Blacks Leisure rise 4¼ to 16½p. Etam moved up 4 at 250p and J. W. Wassall gained 7 at

FT-ACTUARIES INDICES

These Indices are the joint compilation of the Financial Times,

Monday March 16 1987

7.49 7.57 6.27 7.78 8.49 6.021 7.45 7.45 4.01 8.49 6.33 5.54 6.33 5.54 6.40 8.67 8.14 8.67 9.21

3.31 17.08

7.54 -15.52

24.69 17.91 14.76 13.33

Index Day's Day's Day's March March March March March 10 9 ago 19918 -8.2 1999.4 1989.8 2008.0 1989.7 1979.4 1987.7 1973.7 1622.6

7-41 5.51 18-21 5.26 - 4.09 - 4.38 8-40 4.50 - 5.28 5.28 3.24 7.34 3.40 - 2.42 7.97 4.28 9.09 4.97

18-21

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zd zd 1987

to date

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1.57

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11 inflat'n rate 5% 12 inflat'n rate 5%

14 leffat's rate 10%

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324.84 -0.2 1481.67 -1179.66 -0.8 1088.05 -0.9 876.04 -0.5 2142.22 -0.8 2378.44 -0.3 1195.58 +0.2 599.42 +0.3 1606.32 -2.5 677.64 +1.0 968.34 -0.3 1410.65 -

1410.65 — 1223.86 —0.5 1289.85 —1.7 1971.05 —0.7 961.53 —0.2 1318.56 +0.8

683.79 +0.3 726.45 +0.2 969.54 --542.79 -0.2

969.54 542.79 -0.2 1177.94 +0.1 366.90 -910.97 +1.4 451.03 +0.6

1050.10 -0.5 7.05 1757.10 -- 9.65

1757.10 — 9.65 1109.60 —0.4 7.41

677.64 968.34 1410.65

Gross Oiv. Yield% (ACT at 29%)

FINANCIAL TIMES STOCK INDICES (Cap LOW 10 Low Kigh 127.4 (91/35) 94.51 80.39 90.07 89.87 89,89 90.12 **88.53** 97.68 (7/7/86) 86.55 123/1/86) 96.13 95.29 95.55 95.51 95,13 92,93 105.4 L576.6 1583.9 1,578.0 15714 1.586.4 1.357.7 1.613.5 1,094.3 1,613.5 (3/3/87) 338.3 340.1 333.3 322.2 3383 734.7 324.1 Drd. Div. Yield .... S.E. ACTIVITY Earsings Yld.%(full). Indices Mar. 13 P/E Ratio (set) (\*) ... 14,32 14.19 14,27 192.6 371.1 2713.2 SEAQ Bargains (5 pm) 49,829 ,342.94 1,438.921 1,452.21 1,333.91 783.10 Equity Tarnover (Em) .... 189.9 Equity Bargains ... 57,937 380.8 2800.2 6023 600.1 620,0 303.3 Shares Traded (ml) ..

Day's High 1583.1. Day's Low 1575.6 Basis 100 Gove. Secs 15/10/26, Fixed Int. 1928, Ordinary 1/7/35, Gold Mines 12/9/55, SE Activity 1974, \*NH=13.75. LONDON REPORT AND LATEST SHARE INDEX: TEL. 02-246 8026

1579.3

1 p.m. 1579.9

11 a.m. 1578.2

which recently resisted a hostile £20m bid from rival Strong and Fisher, firmed 6 to 222p on press suggestions of a possible bid from Hillsdown Holdings.

10 a.m. 1581.8

♥ Opening 1583.0

Firm features in the Electrical sector were to be found among secondary issues. Helmes Protec-tion continued to warm to the prospect of a full share listing in the US and jumped 12 afresh to 170p. A Press report that Miles 33 had won the biggest ever order for computer composition systems from Pandick of the US induced good support for the former which closed 29 higher at 310p. Other Press-inspired gains of 7 and 14 respectively were seen in Highland Electronics, 97p, and Multione, 85p, while Emess Lighting reflected its successful Tenby against the with a gain of 2314 to acquisition with a gain of 23½ to 396½p. Amstrad revived with a speculative rise of 13 at 183p and Renishaw were favoured at 292p, Renishaw were favoured at 292p, up 22. Process Systems, on the other hand, plummeted 16 to 22p in reaction to the heavy interim deficit and profit-taking in the wake of their respective trading statements left Sunleigh 2 lower at 43p and BSE 8½ down at 111p. Cable and Wireless lost 9 to 360p among the quietly dull leaders. Racal cheapened 3 at 243p and STC cheapened the same amount at 248n.

Leading Engineers rarely strayed from previous closing levels. Among the occasional movements in secondary issues, ing Press comment on possible orders for the company's new AS90 self-propelled howitzer. 88p. Executer gave up 8 at 160p Contract news left SFP 3 firmer at and Ratners lost 11 at 313p. Among 156p, while Meggitt responded to Shoe concerns, Garnar Booth, the preliminary figures with a

Wed Marci 11

4.27 | 111.4.34 | 1106.8.3 | 1101.38 | 871.71 |
5.81 | 541.76 | 583.31 | 580.12 | 796.65 |
12.84 | 725.30 | 734.85 | 731.75 | 618.46 |
0.00 | 969.67 | 968.11 | 964.89 | 902.15 |
2.82 | 544.11 | 545.27 | 541.69 | 486.99 |
13.35 | 1177.17 | 1109.55 | 1157.04 | 1282.76 |
0.02 | 366.84 | 368.95 | 368.99 | 354.27 |
0.02 | 366.84 | 368.95 | 368.99 | 354.27 |
0.96 | 898.77 | 891.53 | 885.32 | 734.47 |
1.86 | 448.54 | 445.56 | 443.25 | 339.59 |
4.06 | 972.56 | 970.97 | 970.27 | 732.98 |
1.89 | 384.20 | 377.45 | 376.96 | 284.63 |
10.04 | 873.96 | 891.89 | 882.36 | 676.97 |
4.42 | 997.23 | 991.89 | 987.25 | 791.40 |

4.42 997.23 991.89 987.25 791.40

\$.25 9.67 9.20 9.27 9.25 9.27 9.48 9.20 8.99

2.58 3.38 9.99 3.23

9.90 18.14 10.17

5 yrs.

Fri Mærch 13

9.09 9.09 9.25 9.25 9.27 9.27 9.42 9.23 8.39

2.57 3.41 8.96 3.26

9.99 10.17 10.19

Year ago (approx.)

8.94 9.13 9.14 16.65 9.60 9.62 18.64 9.79 9.59 9.67

10.68

gain of 5½ at 174½p. Acrospace Erskine House advanced 12 to Engineering, still reflecting 213p in response to the proposed recent newspaper comment, acquisition of Mirex Corporation improved 4 further to 95p. APV closed a shade lower at 703p and also helped Parkfield Group, up 12 Baker Perkins 7 off at 349p follow-ing the announcement that Perga-mon Holdings and Hollis have accepted the APV offer for Baker Armstrang 13 higher at 133p, Perkins in respect of their total holding of 43m shares.

Excels had a relatively quiet day

2 fein of 8 at 350. Hawtel Waiting

holding of 4.3m shares.

Toods had a relatively quiet day a gain of 8 at 35p. Hawtal Waiting a gain of 8 at 35p. Hawtal Whith a gain of 8 at 35p. Hawtal Whith there were fell 10 to 565p after the annual still a few noteworthy movements. The substitution of the proposed form the propos still a few noteworthy movements.

Rowntree Mackintesh dipped 16 to 7 to 185p on the proposed £5½m 45p on reports of Continental rights issue. Chamberlain and selling, while Cadbury Schweppes eased back in the absence of any 4 to 140p after the dividend and bid developments to close a shade cheaper at 242p. United Biscuits closed a couple of pence off at edged up a penny to 71p on the liminant figures. Among Betail. liminary figures. Among Retailers, Tesce came back to 483p early on before railying smartly to 488p on the profits forecast contained in the offer document for Hill-ards; the close was 4 cheaper on balance at 485p. Dee Corporation drifted off to close 5 cheaper at 230p, but bid hopes boosted Nor-mans 2 to 67 and M6 Cash and at 116p as the necessary Carry 2 to 113p. Hughes Food set-tled lower at 105p following relating to the first conv With the exception of Glazo, up

a shade further ahead of the forth-coming Japanese presentation. leading miscellaneous industrial issues were inclined easier for choice. Elsewhere, Pearson closed 13 down at 576p, after 566p, despite announcing better-than-expected preliminary figures.

British Gas (\*871)

per cent stake worth some £29.5m for 578p per share; Ladkroke edged up a penny to 435p. Among other television issues, TV Senth West gained 6/2 to 79/2p ahead of tomogrow's halftimer. Motors and ancillary issues recorded few changes of note. Lex

Service rallied 8 more to 367p while newspaper mention helped Laidiaw rise 3½ to 120p. Profit-Laidiaw rise 3½ to 120p. Profit-taking after last week's prelimin-ary statement lowered Perry 5 to 228p. Small Component features included Airliew Streamline, up 3 at 88p, and BTS, 2 firmer at 84p. Publishers remained a fashion-able area and Trinity Inter-national sported 35 more to 725p ahead of the annual figures, due today week. Octawas advanced 14 to 689p and EMAP "A" hardened 2 to 170p, the latter after a further small acquisition. Sparking full-year profits lifted Bucalytas Palp H to £10%, Caritan Communica-tions rose & to £11£ as im shares were placed at £11.35 per share to help finance the £29.5m purchase of Ladbroke's 20 per cent state in neip mance the 1225m purchase of Ladbroke's 20 per cent stake in Central TV. RLP rose 20 to 420p and Watmoughs revived with a rise of 10 to 350p. Among Agencies, Valin Pellin gained 7 to 197p but WFP cased 10 to 973p after the

preliminary statement. Attention in Properties focused on the leaders. Land Securities gained 9 to 387p on vague takeover gained 9 to 387p on vague takeover rumours, while MEPC rose 10 to 368p following Press comment highlighting the possible benefits of the Oldham Estates acquisition. Hammersen A firmed 5 to 485p, while Stough Estates added 4 to 201p. Secondary issues continued to feature New England Preperties which jumped 12 more to 65p on trading prospects following the change of control amnounced last week Warnfurd mas 25 to 825p on week. Warnfurd rose 25 to 825p on takeover speculation, but Marier Estates lost 10 at 973p awaiting Thursday's interim Scrappy selling in an unwilling market clipped 17 from Belgrave Holdings at 131p, but Scottlah Metropolitan picked up 4½ at

Ocean Transport again made gradual progress to close 4 better at a 198687 high of 313p, while revived speculative interest raised Mersey Dock units 3 to 44p. Lower annual profits left J. Fisher 2 easier at 64p.

Central TV rose 7 to 5909 on news that Cariton Communications had acquired Ladbroke's 20 International moved up 6 to 294p.

May Ang Not. May Ang Nov.

Guinness 280 52 63 75 4 17 (\*318) 330 40 55 65 15 25 330 22 35 47 30 40 340 9 20 - 50 53

117 87 62 38 110 87 88

 Mar
 June
 Sep
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 June
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 127
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 37
 45

04 04 05 05 05 14 2 2 2 4

28 11 2 1 36 26 20 12 43 31 24 17

Tr. 115% 1991 (\*£108)

### **NEW HIGHS AND LOWS FOR 1986-87**

13 down at 576p, after 568p, despite announcing better-than-expected preliminary figures. Wellcome met with selling followsing cautious weekend Press comment and reacted 17 to 495p, but good interim figures prompted a gain of 17 to 305p in Savage Group. MOTORS (2), NEWSPAPERS (4), PAPER (10), PROPERTY (26), SHIPPING (3), SHOES (2), TEXTILES (3), TRUSTS (40), ORLS (4), PLANTATIONS (2), MINES (10). PLANTATIONS (4), WEST (4)
NEW LOWS (4)
AMERICANS (3) Colt Inds, Manuf.
THIRD

of the land sale in Oxfordshire for £1.65m, the net proceeds of which will initially be used to reduce borrowings. Early's ended 9 higher on the day at 170p. The agreement with Mrs Jennifer d'Abo for design consultancy services failed to support Jehn Crowther down 9 at 1870.

were boosted by stake-building were arranged in Trans-rumours and a recommendation Bollustan.

from brokers Grenfell and Gol-

These were the two principal stocks recommended by a securities house in a recent re-rating of the sector. John Haggas improved 7 to 1819 but profit-taking after last week's rise brought Richards back 5 to 81p. Early's of Winey rose late following confirmation of the land sale in Oxfordshire for \$1.65m, the net proceeds of which will initially be used to reduce and additional the price touched 48½p prior to closing 2½ higher at 7½p. Elsewhere, Triten, a firm market recently, encountered profit-taking and fell 8 to 138p. Polly Peck's growing fan club were busy again and the domain exerts of the land sale in Oxfordshire for \$1.65m, the net proceeds of which will initially be used to reduce the price touched 48½p prior to closing 2½ higher at 47½p. Elsewhere, Triten, a firm market recently, encountered profit-taking and fell 8 to 138p. Polly Peck's growing fan club were busy again and the domain exerts of the upshot was that the shares raced higher to close a further 18 higher at 2½pp. Harrisons and Cresfield picked 48½p prior to closing 2½ higher at 47½p. Elsewhere, Triten, a firm market recently, encountered profit-taking and fell 8 to 138p.

The upshot was that the shares raced higher to close a further 18 higher at 2½pp. Harrisons and the domain exerts of the land sale in Oxfordshire for \$1.65m, the net process of which the price touched 48½p prior to closing 2½ higher at 47½p Elsewhere, Triten, a firm market recently, encountered profit-taking and fell 8 to 138p.

Polly Peck's growing fan club were busy again and the domain exerts of the price touched 48½p prior to closing 2½ higher at 47½p executive recently, encountered profit taking and fell 8 to 138p.

Polly Peck's growing fan club were busy again and the domain exerts of the price touched 48½p higher at 7½p higher at 2½p higher at 138p.

### Traded Options

Interest in Traded Options was largely comfined to two stocks. British Airways continued to ther, down 9 at 1879.

Confirmation of the agreed offer from Rosehough put General and 1,284 puts arranged, while funds up 5 to 249p while dealings were restored in Guernsey Atlantic Securities, at 330p, following a recommended bid from JCS International, a wholly-owned subsidiary.

were restored in the state with Securities, at 3309, following a recommended bid from JCS International, a wholly-owned subsidiary of Bermuda Trust. Financial Trusts benefited from comment with British and Commonwealth, which has announced a further small acquisition, rising 6 to 4039. Antofogasta gained 5 to 1859, Berkeley Technology 8 to 2419 and London Merchant Securities 3 to 1859, Berkeley Technology 8 to 2419 and London Merchant Securities 3 to 1859, Berkeley Technology 8 to 2419 and London Merchant Securities 3 to 1859, Berkeley Technology 8 to 2419 and London Merchant Securities 3 to 1859, Berkeley Technology 8 to 2419 and London Merchant Securities 3 to 1859, Berkeley Technology 8 to 2419 and London Merchant Securities 3 to 1859, Berkeley Technology 8 to 2419 and London Merchant Securities 3 to 1859, Berkeley Trust Service Stock dealt in four the call include Northell Capital, Northell Capital, Northell Shocks Leisure, British Petraleum settled a penny off at 811p, but Shell managed a small rise at £124e Profit-taking clipped 4 from Ultranar at 2569 and ½ from British Gas at 804m Erited were 3 dearer at 2079 awaiting Thursday's annual results, but Enterprise shed a penny to 244p ahead of Friday's preliminary figures, IC Gas lost 7 to 713p following the result of the tender offer whereby Tractobel increased its holding in the company to 222 per cent. Fremier arranged in Transweed and rumours and a recommendation Eritary were boosted by state building were arranged in Transweed and

第二次 第二次 第二次 第二次

### TRADING VOLUME IN MAJOR STOCKS

The following is based on tracing volume for Alpha securities dealt through the SEAQ systemes with 6 pm.												
	<b>Volume</b>	Closing	Day's		Volume.	Clusing						
Stock	000'3	Price .	change.	- Stock :	000's	; price .	ومسول					
ASDA-MFI	2,600	152	-3		- 198	-435	<b>41</b> .					
Allied Lyons	858	390 .	. <b>-4</b> . :	Land Securities	7,300	387	49					
Amstrad:	7,000	123	+13	· Lagal & Ger	- 872	-301	<b>₩</b>					
Assoc. Brit. Foods	627	346	-2	Litry ds Sank	136	492						
BAT	1,600	519.	+1	Lowho	319	2792						
BET	: 880	509	<b>−</b> •	MEPC	- 2,000	363	à M					
BOC	741	434	-1	Marks & Space	6,490 538	229 625	> .					
BPS tads	213 1.300	686 350	+1	Midfand Bank	473	595	+1					
BPCCBTR	6,000	337	-1	NatWest Bank Pearson P & 0 Pikington Bros	72	574	T.					
Barciays	1300	525	+3	PLD	914	-626	- ž					
gazz	353	922	` <b>-</b> 8	Pikington Bros	- 50		_					
Beechara	1.400	547	-4	Placeer	413	242	-2					
Bine Circle	657	743	<u>-s</u>	Presery	312	863	. <u>-ī</u>					
Boots	5,000	296	٠ و ٠	Darat	1.500	243	-3					
Brit. Airmens	4.000	123 .	-3	Rank Org	524	4970	+20					
Brit. Aero	1,300	639	-9	Rank Org	621		-3					
Brit. Gas	25.000	307 <sub>2</sub>	`	Rechts & Col	383	: 994	-7					
Britoil	9,400	207 -	+3	Rediand	734	470	+5					
BP	1,700	875	- <b>]</b>	HERO HILL.	. 330	434	+3					
Brit. Telecom	3,000	26	+1	Renders	402	717	-1					
Brazi	712	235	+2.	RMC RTZ	_307	517	+4					
Berton	917	306 .	-10	- XIZ	586	.734	-1					
Cable & Wire	2,500	360		Rosestree Mac	1,300	48512	-15					
Cachery Schools	1,800	242		Ryl Bricof Scotland.		330	_					
Costs Vivella	.486 1.600	583 322	+6 -2	Royal Insurance.	1,000	91	₹.					
Cons. Gold	454	<del>24</del>	+3	Santchi & Santchi	330	248 444	. X					
COCKSOR	477	952 ·	. <del>16</del> -	Salating Commen	. 272 272	482						
Courtailes		390.	18	Scott & Newcastle		"213"	- ਤੁ					
Dee Corpn	1400	230	-5 ·	Sease —	- <b>\$</b> .300	135	-					
Obtons Grp	7.100 :	375	-Z1 :	Sedgetot	655	<b>321</b> .	+1					
English China Clays.	571	419	+2	Shell Trates	1380	£121e	1					
FISONS	135	615		Smith & Meabow	5,300	158	+5					
Sen. Accident	29	950	-Z .	Standard Charl	235	740	43					
Gen. Elect	2,800	210		Storehouse	4,600	309	-6					
Glaco	1,000	£155	+12	Sum Alflance	32	787	-2					
Globe investment	76	1504	12	758	6.230	77/2	~~					
Sranath	1,800	325		Таглас	. B53	<i>374</i> :	-8					
Grand Met	714	485	-4	TescoThora EMi	1,600	485	4					
GIS "A"	562	£13%	-2	Thorn EM1	415	610	+2					
Geardine R.E		923	+1	Trafalgar House	- 890	331	-					
EKN	1,200	327	·- <u>1</u>	Thouse Forte	660	22	-2					
Goinness	416	317	~3	Unigate	- 56	322	<del>-3</del> .					
Hammerson Prop	178	488	+8		. 26.7	25	<b>_</b>					
Hadson Trust	7,100	1701 <sub>2</sub> 520	÷352 .	UNITED DISCURS	512	273	-17					
Hawker Skid Hillsdown Higs	72 2.300	269	+1 -3	Veited Biscuits	2,700	495 302	-21					
Unisabati unisa	4300 910	ยัง		Willis Faber	- 820 191	436	<b></b>					
Ingo. Cort. Gas	263	713	<b>.</b>	Willia rape	9.900	605	-18					
High coop and arm	7%	569	-2		- T							
			_	• •			· _ · · •					

	RISES A	MD LYT	s tester	WAY	
itish Funds		·	Rises. 86 13 500 206 31 50 62	Falls 14 16 499 128 25 0 57	Same 13 40 539 253 56 9 73
Totals	· · · · ·		<del>953</del>	818	1,036
			* - * .		

### LONDON RECENT ISSUES PAULTIFE

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Price		Cale	High	Low		Price	7	Oh.	Com d	Yield	<b>P</b> -
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<b>5215</b>	[ F.P.	··· <b>~</b>	353	272	Stybour Index	348	-5	RLO	31	16	28.
4#	F.P.	l <i>≃</i> :	63	37	#Border TV	62	+272	1925	32	5.7	15
125	65	34	127	104	British Airways	123	-72	- R6.0	24	45	
105	F.F.	27/3	166 133	127	Capital Radio LOp	166	+3	· W5.0		42.	18
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TT.	F.P.	-	136	120	Processor Commences of		+10	<i>U</i> L25	22	24	ĮĮ.
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5100	F.P.	_	109	101	Peripe French Inc. Tst.	106		120	3.7	22	
020	F.P.	26/3	155	127	Print Leisure Corp 100	153		R4.26	_	3.9	ĽΞ
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_	F.P.	l —	32	3	Warrants	32			1 1	-5	Ġ
<b>\$100</b>	F.P.	7/4	152 -	{120 .	MSanders & Sidney So1	142		R4.36	70	32	1.2
210	F.P.	إنسا	253	238	Scardinavian Bit. Units	257	+3	<b>58.0</b>	25	45	
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·_=:	F.P.	ا ـــــــ ا	246	220	AUTC Group	246	+3	te14.0		8.0	
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tane Price	American Paid	Linest Remove Date		9847	Stock	Closing Price	1.0
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4 8 17 23 47 55

<sup>†</sup> Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A new list of constitue is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London EC4P 4BY, price 15p, by post 28p.

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### WORLD STOCK MARKETS

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Shell Elect.
Swite Pac A.
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Charles Bank
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Buffele
CHA Gallo
Gurtle Finance
De Beers
Dreifonteln
F. S. Cons.
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Highweld Steel
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CK Bazaars
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CRA 332.52 3.62 (12/3/87) (21/8/32 132.82 [12/3/87] 224,48 (72/1) NAT Ned Cert... Ned Mid Bank... Ned lloyd ... Ooe Grinten Ommeren (Van). -0,25 -0,5 **281.22** (12/3/87) 251,22 283.48 (12/3/87) (22/1/88) 250.31 782.25 201.31 JAPAN<sup>64</sup> Nikkei (16/6/48) Tokyo SE New Year Ago (Approx) Feb 18 NETHERLANDS ANP.CPS General (1870 ANP.CBS Indust (1870) March 4 Feb 25 -0.5 +0.2 -0.1 +0.25 -0.86 271.7 262,2 -0.5 2.65 21.18 2.58 28.82 7.88 ind siv yield % losi, P/E Rutio 2,68 29,72 7,48 3.30 Norway Osio se (4/1/88) 410,05 Royal Dutch. Unilever...... VMF Stork..... ~8 ~15 +25 +8 SINGAPORE Straits Times (60, 2/88) CRA
CSR
Chase Corp
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Coles Myer 6.72 5.85 4.70 0.85 6.25 H.Y.S.E. ALL COMMON BISES AND FALLS 1955.46 1941.15 1066.84 1079.90 1089.88(10/8/87 -40 +3 March 12 Month 11 -9 -20 +10 +1 -21 -70 SOUTH AFRICA JSE Gold (28/8/76) JSE indust (24/8/76) March March March 18 13 12 March (1 845 960 441 3\$1 653 428 749 780 445 5PAIN Medrid SE (54/12/85) 238.87 | 280.95 | 252.45 | 255.96(25/2/87) | 108.88(3/1/88) SWEDEN Mar 13 12 588.5 LOW OVER-THE-COUNTER Nasdaq national market, closing prices 2598.1 — 2584.7 2488.5 2.586.7 (4/3/67) 1.917.4 (5/6) 3,972.5 3,987.1 3,678.1 (12/3/67) 2,754.8 (17/2) 1,225.53 1,671.6 1,623.6 1,222.6 1,631.5 (13/3/67) 1,388.6 (22/1/67) Same (Hepto) Sales (Finds) 15 94 40 231 18 22 763 384 20 827 18 354 11 71 49 2525 18 584 11 71 49 2525 18 584 \*\* Saturday March 14: Jepan Nikksi (c). TSE (c). Sase value of all Indices are 100 except Brussels SE—1,000, JSE G 255.7. JSC Industrials—254.3, and Australia. All Ordinary and Metals—NYSE All Common—50: Standard and Poors—10: and Toronto Composite Metals—1,000. Toronto Indices based 1975 and Montreal Pordolio 4/ Excluding bonds. \$ 400 Industrials plus 40 Utilities, 40 Financials and Toronto Composite and Montreal Composite and Mont 25 94 912 40 221 9 16 22 40 16 32 40 16 32 40 16 32 40 18 354 3216 18 354 4572 11 22312 16 354 4572 11 224 3214 14 1357 275, 24 846 39-16 14 1357 275, 24 846 39-16 24 846 39-16 24 846 39-16 24 846 39-16 24 846 39-16 26 95 27 27 191 712 27 191 715 28 185 912 29 50 27 5 8 2 8 5 6 5 7 5 8 7 5 514 - 1073 - 107 Continued from Page 49 3.80p.m. Price 474 344 134 2344 2544 3.80p.m. Price 267s 1351/s 381/s 251/s 457s Stocke Traced 3,823,480 2,667,598 1,843,406 1,426,706 1,263,586 Declare 885 Steeler Tambel 1,162,160 1,192,200 631,400 ml 616,000 683,000 ml 234 874 4654 1112 1054 1559 874 1559 874 1559 3514 1559 3514 1359 3514 1359 3214 3214 19 507 3614 10 460 4514 9 834 2684 12 168 2684 6 190 2684 4 45 724 6 13 2414 9 144 2115 35 156 198 20 46 18 69 533 3612 14 113 12 11 28 61 818 11 31 30 113 408 47 17 178 2114 2674 1054 265 1174 7 7 114 1678 86814 52714 1878 1878 1878 21 1278 21 758 3374 354 4514 2458 2858 25 158 21 19 18 30 47 Compaq Com ...
Opinim ........
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USFG CP ...... .50 .40 .76 LONDON - Most Active Stacks Meadey, Merch 18, 1987 Change on Bay - ½ -18 + 3 + 9 -21 Cincing Price 245 386 243 478 653 Circles Mice 894 859 586 349 1,318 Stacks Tracked 210-Dian 168-72m 76-83m 38-83m 38-85m Stocks Tinded 23,42m 23,25m 23,13m 23,87m 21,86m S S NYSE COMPOSITE CLOSING PRICES 25 884 U2572 86 2274 86 2275 86 2275 87 2275 8 2652223745314524835226837552327577232365385822444411153727233414637249574574574657249575723275734477 TCBYs
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STAVANGER

ORLD STOCK MARKETS

CHECK EVERY DAY IN THE FT

# NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

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# AMERICA

# South African divestment blamed for fall

WALL STREET

SUCCUMBING again to selling essure, Wall Street stock prices fell yesterday for the fourth consecutive session, their longest losing streak this year, although trading was the lightest since January 2, writes Roderick Oram in New

Credit markets continued to drift with bond prices edging down on

The Dow Jones industrial averege closed down 10.22 points at 2.248.44 taking its four-session fall to 1.4 per cent. It had opened only a hair restoring drug got a lukewarm few points below its previous close but lost ground steadily during the morning to stand more than 20 points down before staging a partial

Broad market indices showed similar declines with the Standard drug. & Poor's 500 falling 1.66 points to 288.23 and the New York and American stock exchange composite in-dices easing 0.97 to 164.34 and by 1.25 to 331.18 respectively.

NYSE volume shrank to 135.6m shares, the quietest day since the holiday affected 91.9m shares on January 2. Declining issues outpaced rising by a margin of two-to-

Searching for a scapegoat for yesterday's weakness, some analysts said it had been triggered by the sale of a \$56m group of shares on behalf of New Jersey. The state is divesting itself of companies doing business in South Africa. The sale of \$70m of stocks a week earlier was similarly blamed for a general fall in prices. Ahead of both sales, which were

well publicised, stock index and stock futures traders marked their prices lower in anticipation that the trades would be heavily hedged with futures by the investment dealers buying the shares from the

The weakness of futures prompted other investors to sell shares as they arbitraged between them and the futures. The general selling undercurrent was not strong but there was little countervailing sentiment.

Technology stocks felt some of the main selling pressure. NCR gave up 5% to \$82% despite forecastrecord 1987 profits, Digital Equipment declined \$2% to \$161, Unisys gave up \$% to \$99% and Cray Research fell \$2% to \$121.

Compaq Computer dropped \$2% to \$26%. First Boston was reported to have advised selling the shares because of the potentially adverse impact of IBM's launch soon of a new family of personal computers. Three leading companies making

fibreglass products were hit hard by a report in Sunday's New York Times linking the material to cancer. Owens-Corning dropped \$3% to \$26, Certain-teed fell \$2% to \$38% and Manville dipped \$% to \$2%. Tribune Co., the Chicago newspa-

per ann broadcasting group, len \$1% to \$75% after Salomon Brothers withdrew its buying recommenda tion. Other newspaper stocks were also weak. Dow Jones fell \$% to \$52%, Knight-Ridder gave up \$1% to \$53% and Gamett declined \$% to

Marion Laboratories gained \$% to \$61%. It announced a higher dividend. Other drug companies were mixed. Merck rose \$2% to \$155% and Squibb gained \$1% to \$156 while SmithKline Beckman dropped \$% to \$111% and Abbott Le-horstories fall \$1% to \$20% boratories fell \$1% to \$60%.

Upjohn dropped \$3% to \$135. Its response from a regulatory committee. Some committee members expressed scepticism about the use fulness of the drug and advised that it be sold with "adequate labelling." More regulatory hurdles await the

On the takeover front, USAir fell \$1 to \$45%. Trans World Airways. down \$1/2 to \$28, said in a filing with the Securities and Exchange Comion that it dropped its earlier bid for USAir but would hold on to its 15 per cent stake.

Harper Row rose \$2% to \$52%. The book publisher said it was taking no action on two takeover offers it has received and was studying strategic alternatives. Harcourt Brace Jovanovich which made the higher bid of \$50 a share, edged

Credit markets continued to drift after last week's economic news failed to give investors a clear sense of the economy's performance and the outlook for interest rates. The price of the benchmark 7.50

per cent Treasury long bond eased down 1/2 of a point by early afternoon to 99% at which it yielded 7.51 per cent. Shorter maturities were down by similar amounts.

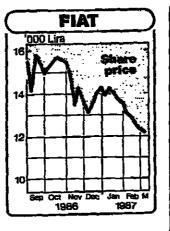
The Fed Funds rate eased fractionally to 6% per cent after the three-day system repurchases to add liquidity to the banking system. The Fed Funds rate was firm because of unusually high corporate tax payments which were due yes-

### CANADA

RESOURCE issues set the pace of the retreat in Toronto as investors shadowed the downturn on Wall

Among leading paper and forest product issues, MacMillan Bloedel fell CS2% to CS79% as Canfor Corp traded CS2 cheaper at C\$33%. Domtar lost CS% to CS44% and Consolidated Bathurst eased C\$% to C\$22%.

ies although industrials and banks



## Fiat stock may be swapped for bonds

A GROUP of Italian banks led by IMI, the state-owned credit institute, is studying plans for the possi-ble launch of a bond issue of up to \$500m, writes Alan Friedman in

The bonds would be swapped for shares in the Fiat group which were eft with institutional underwriters last October after Libya disposed of its 15 per cent holding in the Turinbased group.

Italian banks and unit trusts, as well as foreign institutions, were left holding part of the \$2bn of Fiat shares which were placed by Deutsche Bank and Mediobanca after the Libyan disposal.

The aim of the plan under consideration would be to "freeze" a sub-stantial block of Fiat shares which has been difficult to digest, resulting in substantial losses on the part of underwriters to the Libyan deal. Many of the 32 underwriters and 70 sub-underwriters involved in the First international equity placing bought First shares at a slight discount to the L16,800 (\$12.60) historic high at which Libya sold out. Yesterday the shares were trading in Milan at 1.12,540 - 24.5 per cent below the price the Libyans received.

Since the Libyan share disposal there has been a significant flow of Fiat stock back to Italy, which has helped to depress Fiat's share price. "A lot of Italian unit trusts have had the shares stuffed into them," commented one banker. Fiat is understood to be hoping that the bond issue would freeze the block of shares and thus enable

Italian unit trusts which are "full up" to buy Flat shares once again.
The idea said to be favoured by Fiat is for IMI to lead a consortium which would issue either bonds con-vertible into Fiat shares or bonds

easier on the lower bullion price

and the strong financial rand.

George Graham on the run-up to the latest flotation

# Hard core to have bite at CCF

THE FRENCH Government plans to place 36 per cent of the capital of Crédit Commercial de France in the bands of a hard core of major investors bein the names of a nark core of major investors ac-lore its privatisation, expected next month. The Finance Ministry yesterday offered up to 3.1m shares in CCF, the 10th largest French bank, for sale in advance of the main offer for sale. Investors will be invited to bid by April 16 for a

minimum of 25 per cent of the company and a maximum of 45 per cent at a premium of 4 per cent to the price, which has yet to be fixed for the public

The investors will be obliged to hold on to bulk of their shares for at least two years.

of would-be investors are both larger than those set for the investment banking group Paribas, whose privatisation earlier this year scored a resounding

CCF is viewed as a more likely target for a possi-ble predater than its larger rival Paribas, so the for-mation of a hard core of shareholders represents an important defensive step to avoid the political em-barrassment of a privatised company immediately being taken over.

The bank said last night that it hoped its traditional large clients would apply for the share plac-

### EUROPE

# Brussels maintains firm grip on high ground

factors returned to centre stage on the European bourses yesterday as the Belgian bourse moved to a fresh

Brussels notched up another record largely on the strength of local buying as foreign demand weak-

The insurance sector drew attention as trading was suspended in Royale Belge and AG following weekend reports that Axa, a French insurer, had built up a holding in both companies, which also announced that they had agreed to look at possible joint international ventures.

Petrofina proved another feature with its BFr 300 drop to BFr 10,050 while armaments group FN fell BFr 95 to BFr 1,750 in what was described as a late reaction to last week's details of heavy losses for Tractebel, which announced late

in the session that it had built up a 22 per cent stake in IC Gas with Groupe Bruxelles Lambert, rose BFr 50 to BFr 6,850 while GBL held steady at BFr 3,790. Bekaert scored one of the largest gains of the day with its BFr 700

surge to BFr 12,500. Milan closed sharply higher in FFr 334 while Total CFP shed FFr swift response to Friday's half point 4.10 to FFr 468.00. cut in the official discount rate to

of banks may be taking up a placing for a capital raising, shed FFr 6 to of Fiat shares. The diversified FFr 681 while Cie Bancaire added transport group jumped L240 to FFr 2 to FFr 1.076 amid its one-for-L12,440 but touched L12,650 in after five share increase. bourse trade. Mediobanca was bought L6,000 after the mid-day calculation of the

higher to 1257,800 on the appoint- Commerzbank index showed a 10 with warrants to buy Fiat shares in | bank while Montedison reversed sharp early losses in reaction to its midsted by the softer dollar al-

Among golds, Driefontein put on

20 cents to R67.20 and Vaal Reefs

### LONDON

A BROAD RETREAT was staged London as investors turned quietly cautious ahead of today's Government budget. The FT-SE 100 index lost 8.2 to 1,391.8 and the FT Ordinary index gave up 7,3 to 1,576.6.

Cuts in personal taxation and further base rate reductions, although expected, have been discounted already by the market. Some consumer issues sui-fered sharp falls as industrials

ness remained at a low level. Details, Page 46.

tighter grip on the Ferruzzi group and closed L15 higher at L2,620. Paris was unsettled by interest rate concern as overnight call money rates edged up to 8 per cent from Friday's 71% per cent. Electronics suffered some of the sharpest losses with Sagen down

FFr 175 to FFr 3,625 although Thomson CSF managed to post a FFr 25 advance to FFr 1,615. Oils were weak again: Elf led the ector down with its FFr 11 fail to

Poclain gave up FFr 1.20 to FFr 11.5 per cent. The momentum was 37 on news of its rights issue. Club aided by reports that a consortium Med, seeking shareholder approval

Frankfurt engineered a late raily

Exporters were unduly not inti-

Deutsche Bank led a mixed bank-

ing sector with its DM 5.50 rise to DM 636 after an early DM 640. The impact of the VW currency drams faded with the volume car producer picking up DM 4.20 to DM 334 although Daimler was unsettled by the dollar and closed DM 3.50 down to DM 931.

Chemicals, also dollar sensitive were little changed with Bayer down 60 pfg to DM 305 and Hoechst up 50 pag to DM 259.50. Lufthansa jumped DM 7 to DM
185 despite reports that it may be
investigated for cartel violations.

Bond prices rose in moderate trading on strong foreign demand with longs posting isolated gains of 20 basis points. The Bundesbank market balancing activity amount-ed to sales of DM 57.8m worth of public paper after selling DM 81.5m Amsterdam finished at the day's

low with internationals losing ground in the face of the weaker dollar. Akzo dipped FI 1.50 to FI 141.90, Philips eased 50 cents to FI 50.30 and Royal Dutch gave up Fl 2.60 to F1 232.80. KLM moved against the trend with its 50 cent rise to F1 43.30. Zurich was mixed as bargain

hunting injected some life into hanks and industrials although fi-nancials and insurers continued to lose ground. Stockholm inched higher in mild

trading dominated by domestic in-stitutional support and sporadic foreign demand. Madrid rallied in active trading

although Telefonica moved against point drop to 171.50 per cent of nom-inal value.

# Nikkei retreats from dizzy peaks

TOKYO

THE PRECARIOUSLY high level of prices worried investors in Tokyo yesterday, sending the market down for the first time in a week, writes Shigeo Nishiwaki of Jiji

In lackinstre trading, some large-In lackinstre trading, some large-capital steels and shipbuildings were sought by institutional inves-turs and speculators seeking short-term capital gains. Aids-related stocks came under heavy selling pressure in early trading but re-bounded in the afternoon.

The Nikker average fell \$2.58

from last week's close to 21,415.37.

Volume totalled 1.16bn shares compared with Friday's 1.31bn. Losers ered pace on profit-taking by institutions which pushed the Hang cutran gains by 469 to 424, with 123

weak start as Aids-related stocks fell almost across the board.

ended Y2 higher at Y305 after gain-

popular heavy electrical issue, lost 46 cents to HK\$13.30. Y21 to Y553 on 30.45m shares

Electric cables and non-ferrous

metals drew popularity in early trading, bolstered by last week's PUBLICATION today of February's ture of a material that is supercun-ductive at a temperature of 100 degrees absolute (minus 173° C). But to 1,629.2, but the gold index added these issues came under heavy sell- 6.1 to 2,220.4 despite easier bullion ing pressure towards the close.

Furukawa Electric, with 23.13m shares, advanced Y31 at one stage but ended only Y6 higher at Y585. Hitachi Cable finished Y60 lower at Y1,150 after rising Y20 earlier while Fujikura added Y31 before closing Y18 lower at Y751.

Among Aids-related stocks Sumi-tumo Chemical declined Y20 briefly but turned up later to end Y30 high-er at Y950. Sanyo-Kokusaku Pulp finished Y1 higher at Y599 after losing Y18 at one stage.

dollar depressed blue chips, with 5 cents to S\$7.90. Banks Toyota Motor shedding Y40 to steady to lower.

YI 790, Matsushita Electrical Industrial and NEC lost Y20 each to Y1,860 and Y1,920, respectively.

Bond prices surged, helped by the
strong performance of the futures stil

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June contracts gained Y0.94 to a record high of Y108.32 at one stage on the futures market. This prompted dealers to step up buying on the cash market, with the yield on the benchmark 5.1 per cent bond, mat-uring in June 1996, slipping to a record low of 4,555 per cent from last Friday's 4.840 per cent.

### **HONG KONG**

ssues unchanged.

Seng index into a 51.60-point fall to
The market got off to a generally 2,669.57, a break through the 2,700

The Hong Kong index lost 36.44 However, Kawasaki Steel rose to 1,798.31 in slightly higher turn-sharply, drawing buy orders for over from Friday of HKS893.4m.

The fact that the Association of topped the active list with 210.00m Banks decided at the weekend not theres changing hands, closing Y21 to increase interest rates - a fear which had sent the market down on higher at 1245. which had sent the market down on Nippon Steel, the second-busiest Friday - failed to lift prices back up issue with 168.72m shares traded, again as the consolidation phase

Properties and utilities suffered ing Y7 at one stage.

Ishikawajima-Harima Heavy Inparticularly as Cheung Kong lost dustries advanced Y3 to Y512. But HK\$1.00 to HK\$2.25, Hongloong Sumitomo Metal Industries fell Y8 Land eased 30 cents to HK\$7.45. to Y243 and Kobe Steel Y8 to Y313. China Light dropped 60 cents to Mitsubishi Electric, a recently HK\$21.00 and Hongkong Electric

### **AUSTRALIA**

press reports of a world break balance of payments figures over-through by a Tokyo university re-hung the market in Sydney, with search team in clarifying the struc- share prices turning down again in The All Ordinaries index lost 7.2

As investors sold in the industrial

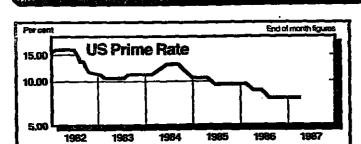
sector, FAI shed 20 cents and Burns Philp 10 cents to A510.20 and A\$10.50 respectively.

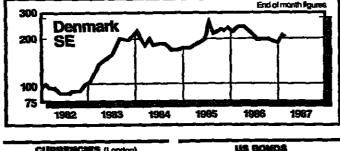
### SINGAPORE

PROFIT-TAKING continued in Singapore in thin trading and the Straits Times industrial index stid a further 7.70 to 1.033.45. Among losers, Sime Darby shed &

# Friday's record to a new high of cents to R38.60 and Ofsil R1 to 1,645. Barlow Rand climbed R1 to R21.50, SA Breweries put on 20 cents to R17 and Sasol added 10 while diamond stock De Beers shed

KEY MARKET MONITORS





**SOUTH AFRICA** 

INDUSTRIALS continued to break Anglo American Coal, hit by a new territory in Johannesburg strike at its New Vaal Colliery, was

The industrial index rose 9 from R1 to R345 but Elandsrand lost 50

while gold shares were mixed to steady at R40.50.

STOCK HARKET INDICES	
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LONDON FF	Gen 274,10 257.1 260.9 Ind 255.10 255.5 249.3
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CAMADA Terento	COMMODITIES (London)
Mel-4 Mins. 2,528.1 - 2,530.0	
Composite 3.672.9 3.687.1 2.957.7	March 16 Prev
Montree!	Silver (spot) 352.35p 258.7p
Portfolio 1,825.53 1,831.5 1,512.14	Copper (cash) £916.50 £926.70
או פוניו מונקו נמשקו שפוווסיז	Coffee (May) £1,285.00 £1,287.50
DEDGEARK SE	Oil (Brant) \$18.05 \$17.875
<b> 201.31 236.13</b>	OOLD (Alex)
	<b>GOLD</b> (\$/02)
FRANCE	March 16 Prev
CAC Gen 439.20 441.2 322.4	London \$405.75 \$404.75
Ind Tendence 111.90 112.5 78.5	70rich \$405.75 \$409.45
	Parts (fiberol) \$408.72 \$407.95
<b>SECTOR SECURITY</b> EA7-Autiso SEC 45 585.09 690.57	Lucembourd \$405.00 \$409.50
	New York (April) \$406.60 \$405.00
Commerzbank 1,701.90 1,711.7 2,092.4	1900 Lanck Arek

200	Denr SE	nark	M~	سار	Endo	I month figur	8
100 75							
	1982	1983	1984	1965	1986	1967	ᆜ
	ر ن عند ا فوا	ES (London			US BOM	38	_

	CURRE	London	)		U	BOND	\$		
	Die p	OLLAR	27		Trease	~			
	Mar 16 F			Previous		Man	ch 16	Pi	ev
3		_	1,5840			Price	Yield	Price	Yield
Dit	1.8375	1.8530	2.91		6% 1989	99 <del>75.</del>	6.401	99 <del>75</del>	8,419
Yes	151.60	152.60 6.17	240.0 9.69		7% 1983		7.012	99 <sup>75</sup>	7.012
#F-	6,1175 1,6375	1,5535	2.435		7% 1996	100°%	7.20	100%	7.205
<u> </u>	2.0780	2.0930	3.287		7% 2016	997%	7.516	99°%	7.516
Lire	1,305.50	1.317		2,074.0	Source: /	ienis Tr	est Saving	a Bank	
	38.05	38.35	90.25						
C\$	1,2160	1.3210	2.0825	2.0810	Treasu	ry Inde	T.		
		EST R	1794			Marci			
	-	2591 FU	1144	_	Makerity	Return	Day's	Yieki	Day's
- Auro	-carryaciya		ler 16	Prev	(years)	index	change		charge
	nth offered m				1-30	163,17	+0.23	6.93	-0.03
			9%	10 4%a	1~10	154.63	+0.12	6.68	-0.03
	iPr XII		44. 44.	4718 4%s	1~ 8	144.09	+0.07	6,37	-0.03
	<del>(2)</del>		72 8%a	3″	S- 5	157.57	+0.17	6.71	-0.03
	nadon Interi			-	15-30	193,58	+0.59	7.78	-0.03
	कर्त गर्भक}				Source: I	Merriii Ly	nch		
	i-month US\$ i-month US\$		6% 6%	6% 6%					
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	month CDe		06 •	6.425	adahar		<del>दो</del> 16	P	
U\$3-	للزا-؟ بالأعمي	<b>le</b> 5	.64	5.78		Price	Yald	Price	Yeld
					AT&TS				
٠	FINANC		خيزياء	5	,,,,,,,	99.507	605	93.74	8.00
					SCRT S		entral 10		R3
CHEC			_		30010	105.00	9.75	105.25	9,70
	reasury Box 2nds of 100%		7		Phibro :			المعتودا	47.4
Mar 1		High	Low	r Press	PTIMOTO :	100.00	8.00	99.75	8.04
Marci			101-17					49.7 \$	9,04
	recent for		,,,		TRW 8%				
	points of 100					103.50	8.19	103.50	8,19
June	94.47	94,47	94.44	94.49	Arco 9%	March 2	2016		
	Scates of D					113.25	8.82	112.50	8.69
	points of 100	<b>%</b>		93.97	Canada	Meter	s 8% Apri	2016	
Merci		_	•	- 353/		94.75	8.69	94.50	8.64
, LONG									
Three	e-groudh ika	røgeljer "	'		Citicon				
\$1m	points of 100 n 83.50	83.52	<b>S3.5</b> 1	R3.54		100.75	9.33	100.375	9.34
Marc	n Sazu <b>eer Noticas</b>		<b>33</b> 43	90.34	Source:	Salomon	Brothers		
COL	00 S2nda of	100%							

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and winning list after each class. No additional charges.	1/2 ticket(s)								
Mr./Mrs./Miss				<u></u>	·	<u> </u>			
Street				<u> </u>		<u> </u>			
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Country			- K	indly enclose o	hem	to with more	7,1		
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